FBIS DAILY REPORT

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GUARANTEE ACCORD ON ATUCHA II SIGNED WITH IAEA

PY170227 Paris AFP in Spanish 1710 GMT 15 Jul 81

[Text] Vienna, 15 Jul (AFP)--Argentina and the International Atomic Energy Agency (IAEA) today in Vienna signed an agreement on applying guarantees to the Argentine Atucha II nuclear reactor.

Argentina, which is not a member of the Nuclear Nonproliferation Treaty, by means of this agreement adheres to the same system of verification for this reactor which the IAEA applies to the signators of that treaty.

That system of verification includes the periodic inspection of the installations by IAEA inspectors.

The Atucha II reactor, of 745 MW, will be sold by the FRG.

CAMILION SAYS NO CHANGE IN BEAGLE CHANNEL TALKS

PY160344 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2124 GMT 15 Jul 81

[Text] Buenos Aires, 15 Jul (NA)--Foreign Minister Oscar Camilion said today that there is "nothing new" in relation to the negotiations with Chile over the disputed southern border and he termed as "routine" the presence in Argentina of the Argentine delegates to the Holy See involved in the papal mediation.

Camilion explained that "the current phase of the mediations and the latest conversations at the Vatican are being analyzed in relation to the so-called 'clarifications' with regard to the Argentine document of last March."

In a statement to the press at the metropolitan Aeropark Airport, where he went today to meet his Egyptian colleague Butrus Ghali, Camilion said delegates Guillermo Moncayo and Ricardo Etcheverry Boneo "came to Buenos Aires after 3 months to do a little analysis on the progress of the talks."

Finally, he reiterated that there is nothing new to comment on and that "the visit of the delegates is routine."

AGRICULTURE MINISTER CLAIMS SWIFT RECOVERY

PY162152 Buenos Aires LA PRENSA in Spanish 12 Jul 81 p 5

[Excerpts] Santa Rosa, La Pampa--Agriculture and Livestock Minister Jorge Aguado stated here that "there has been more recovery over the past 90 days than over the last 2 years" in the agricultural and livestock sector, but acknowledged the government's concern over the debt of the sector and especially over interest rates.

Later, speaking before rural leaders from all over the province, the minister said that "certain problems have been resolved" and that the system of credit updating has been protected by establishing agricultural prices which can give "the producers some security."

Aguado also warned about "impassioned" requests and called for a realistic approach. He dismissed the implementation of support-prices but indicated that "the state will intervene in whenever necessary."

He announced that a line of credit for $150 million has been opened with the IDB for the purchase of silos, fertilizers for pastures and machinery.

PRESIDENT WARNS RECTORS OF 'POLITICAL CHICANERY'

PY170103 Buenos Aires TELAM in Spanish 1622 GMT 16 Jul 81

[Text] La Paz, 16 Jul (TELAM)--Bolivian President Gen Luis Garcia Meza has stated that the universities have autonomy for organizing their academic and administrative systems and also have control over their own development but, he added, "they must not forget that they are part of the national state whose legal and political framework they must respect."

In his speech at the closing ceremony of a meeting of rectors of the eight Bolivian universities, Garcia Meza stressed that freedom of teaching and research are basic principles of these centers of education, but in view of the current circumstances it is necessary to stress that universities must be the homes of thought and not of political chicanery and agitation.

He also emphasized that the universities must prepare men useful to the country's development and to society, they must educate the mind and shape new generations.

He stated that it is true that social changes cause university crisis, but these crises must be overcome through calm and considered analysis; and he pointed out that the university must produce not only excellent professional people but also responsible citizens.

NEW MILITARY HOUSEHOLD CHIEF SAAVEDRA INSTALLED

PY161812 Buenos Aires TELAM in Spanish 1625 GMT 16 Jul 81

[Text] La Paz, 16 Jul (TELAM)--Air Force Col Gonzalo Saavedra Espinoza has been installed as the new chief of the Bolivian Military Household (Government House).

Saavedra replaces Col Faustino Rico Toro, who 30 days ago was named commander of the army's German Busch Military College.

Up to a few days ago the new chief of the military household held the post of chief of the 3d Department of the Bolivian Air Force and today he is carrying out an inspection of the Government Palace.

BANZER SUAREZ FEARS 'DISINTEGRATION' OF COUNTRY

PY170138 La Paz PRESENCIA in Spanish 14 Jul 81 pp 9, 13

[Text] New York, 13 Jul--Former Bolivian President Hugo Banzer Suarez has stated that he fears that his country could disintegrate as a state due to social disruption and indicated that the armed forces are the only sector capable of preventing this.

Banzer, a harsh critic of General Garcia Meza's current military regime, made this warning in a letter, addressed "to all Bolivians," that he wrote in Miami where he arrived for a private visit.

"As a state, Bolivia was born and strengthened through military victories of the armed forces, the very forces that, because of internal disputes and the systematic destruction of their hierarchy and discipline, could become the cause of the country's destruction and even its disappearance as a state," the former president, who ruled Bolivia from 1971 to 1978, said.

He stressed that the armed forces are the only guarantee for Bolivia's cohesion but warned that "those who are ruling our country without support...are industriously seeking support among the lower echelons of command for a regime which lacks public approval."

"When the only cohesive institution fails, the rest will collapse as well...at that point not only antipatriotic forces but also alien elements will decide that the time has come to erase Bolivia from the map," he warned.

Banzer did not specify the "alien elements" although certain Bolivian political analysts and politicians have more than once mentioned the lust for Bolivia's territory felt by neighboring nations.

This letter is the first Banzer has issued since he was exiled on 13 May this year, charged by the government with involvement in an aborted uprising which had taken place previously.

The former president said: "With surprising swiftness our country is approaching the edge of the cliff."

"It is not merely the question of chaos and anarchy unleashed by extremists, or the certain and imminent threat to our territorial integrity, or the untenable economy of the people; but something muchmore serious: social disruption caused by the moral breakdown and the reversal of values," Banzer added.

Banzer, who had taken over the government after ousting leftist General Juan Jose Torres, also said that "extremism is permanently on alert, but it is equally true that the swift loss of prestige and attrition of the current government greatly facilitate the former's task."

He indicated that if the "morale, discipline and hierachy of the military framework is broken down Bolivia could fall prey to disorder which would yield unpredictable consequences," but added: "I firmly believe that in the face of the threat to the country the common sense of the armed forces will prevail."

The former president, who said that he had sent copies of this letter to Bolivia for publication, concluded by stating that "if these thoughts of mine are viewed as conspiratorial, then most of the Bolivian people are conspiring. All I am doing is interpreting the feelings of the Bolivian people."

SILES ZUAZO ASSAILS CURRENT MILITARY REGIME

PY170234 Paris AFP in Spanish 0431 GMT 16 Jul 81

[Text] Lima, 15 Jul (AFP)--Former Bolivian President Hernan Siles Zuazo has made a call to all progressive forces in his country to be united in an intransigent struggle against the dictatorship of President Luis Garcia Meza, and rejected any intention of conciliation with the presumed military options.

In a document published here, Siles Zuazo has made public the conclusions of a clandestine conference of his party's board, the National Revolutionary Movement of the Left (MNRI).

The document begins by stating that the military regime established in Bolivia on 17 July 1980 has led to a complete institutional breach which is most crudely noted within the armed forces.

It adds that the MNRI is participating in resistance activities, without sectarianisms and side by side with the church and popular organizations but completely intransigent as far as the complete recovery of the rights trampled by the drug-trafficking military coup is concerned.

It notes that the alternatives proposed during the past few months to the Bolivian people have evolved exclusively around the pretensions of military candidates, in an attempt to evict the civilians.

The reactionary civilian forces have fallen into this game, including those which call themselves progressive and revolutionary forces, the document states.

The MNRI thus seems to be referring to the position of the Movement of the Revolutionary Left (MIR) of Jaime Paz, who proposed the existence of a military option within the current situation to solve the crisis of Bolivian democracy.

The communique states that the agreement of opportunists does not show anything but the desperation for power making fun of the people.

The MNRI rejects the policy of shady deals with military candidates who, one way or another, want to consolidate the illegimate predominance of military power over the legitimate popular power.

Siles Zuazo's party states that it will not participate in any shady deal aimed at confirming one or another form of dictatorship.

It adds that the MNRI, an essential pillar of the UDP (Popular and Democratic Unity), is the most real and firm guarantee to achieving the unity of the Bolivian people.

It makes a call to all progressive and popular forces, and to patriotic military officers as well, to be united in the frontal struggle against the drug-trafficking military dictatorship.

It says that this coordinated action must embrace all forms of struggle which may express civilian disobedience, until the overthrow of Garica Meza's regime and the complete reopening of the democratic process interrupted on 17 July 1980, are achieved.

The document also states that a year after the illegal seizure of power from the people, the regime of General Garcia Meza has decided to continue with its national destruction task, strengthening itself exclusively through force, the corruption of military commands and the economic power of drug trafficking.

WOUNDED PEASANT LEADER FLORES LEAVES FOR U.S.

PY161443 Paris AFP in Spanish 1404 GMT 16 Jul 81

[Text] La Paz, 16 Jul (AFP)--Genaro Flores, a leader of the Single Federation of Bolivian Peasants and of the Bolivian Labor Federation, who was wounded and captured on 19 June, this morning left for the United States.

BRIEFS

NEW TURKISH AMBASSADOR--Ali Binkaya today presented his credentials to President Garcia Meza as the new Turkish ambassador in Bolivia. Binkaya, who will reside in Buenos Aires, will concurrently perform his duties as Turkish ambassador to Argentina. [La Paz Radio Illimani Network in Spanish 1700 GMT 15 Jul 81 PY]

BUSINESSMAN ON GRAIN SALES TO SOVIET UNION

PY160130 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 15 Jul 81

[Text] Porto Alegre--(Jarbas Piris Machado), president of the Federation of Brazilian Wheat and Soybean Cooperatives [FECOTRIGO], feels that negotiations carried out by Planning Minister Delfim Neto with the Soviet Union involving Brazilian agricultural products are very positive.

(Piris Machado) added that 10 percent of the national soybean production will be exported to the Soviet Union, benefiting the producers who will gain a new market.

Regarding the contract for the sale of corn, however, he said that national production does not meet national demand and that Brazil will have to purchase from other countries to sell to the Soviets.

The FECOTRIGO president hopes that the government will provide new incentives for the production of corn.

FOREIGN MINISTER LEAVES HOSPITAL AFTER SURGERY

PY152031 Brasilia Domestic Service in Portuguese 2200 GMT 14 Jul 81

[Text] Foreign Minister Ramiro Saraiva Guerreiro, who underwent surgery, was discharged today from the hospital and is tending to office matters normally.

BRIEFS

OPEC OFFICIAL--(Ibrahim Shihata), chairman of the OPEC Special Fund, is visiting Brazil to determine the possibility of the participation of Brazilian enterprises in projects financed by the OPEC Special Fund in Third World countries. (Shihata), who will stay in Brazil until 3 July, will meet today with Agriculture Minister Amaury Stabile. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 29 Jun 81 PY]

LOANS OBTAINED--Rio de Janeiro, 27 Jun (AFP)--It has been reported here that during the first 5 months of 1981 Brazil has obtained loans totaling $7,081 million from international financial organizations and banks from several countries. The report published by the Central Bank of Brazil added that during the month of May, 1981, Brazil obtained foreign loans totaling $1,407 million. [Text] [Paris AFP in Spanish 1227 GMT 27 Jun 81 PY]

NEW NAVY CHIEF OF STAFF--Brasilia--Adm Jose Teofilo Aratanha was installed yesterday as new chief of staff of the navy. He thus replaces Adm Andersen Cavalcanti who will assume the post in the Superior Military Court in August, and who will in turn, replace Adm Helio Leite. [Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Jul 81 p 6 PY]

GHANA PROTOCOL--On occasion of the visit of Ghanian Vice President Joseph Degraft Johnson, Brazil and Ghana signed today a protocol of intention for cooperation and trade between the two countries. Ghana is interested in Brazil's cooperation for the implementation of several projects to manufacture caustic soda, agricultural machinery, planting and processing of soybeans, road-building equipment, cattle raising, meat and fish processing, and manufacturing of door hinges. The African country is also interested in purchasing products such as refined sugar, canned and frozen meat, raw cotton fiber, rice, animal feed, corn, edible oils, fertilizers, household appliances and vehicles. [Brasilia Domestic Service in Portuguese 2200 GMT 14 Jul 81 PY]

GOVERNMENT DISCUSSES RECENT EXTREMIST ACTIONS

PY162107 Buenos Aires LATIN in Spanish 2254 GMT 15 Jul 81

[Text] Santiago, Chile, 15 Jul (LATIN-REUTER)--Interior Minister Sergio Fernandez has stated that President Augusto Pinochet and his cabinet today discussed recent extremist actions perpetrated in Chile, including the attack on a police officer perpetrated this morning.

In remarks to the press after the government meeting, which lasted more than 2 hours, Fernandez repudiated the attack on Maj Ingrid Olderock, who was seriously injured by bullets in the head and thorax when she was leaving her house.

He added that the attack on her is another demonstration of the extremes to which terrorism can resort, and which no longer hesitate in choosing their victimes; and terrorism chooses defenseless persons, as in the case of this woman who was leaving her house and in no position to defend herself.

Major Olderock, 37 years of age, has been a member of the carabineros (militarized police) for 19 years, and she is also a pilot, judo and karate expert, sharpshooter, dog trainer and English and German interpreter.

Hours after attack, a commando called Lumi Videla of the so-called Resistance Militia claimed credit for the attack, according to a communique partially published by the afternoon newspaper LA SEGUNDA.

The communique accused Olderock of being a torturer and stated that she had been condemned by the people's courts. It adds that during the attack they recovered a 32-caliber revolver, several passports and very valuable documents.

Olderock, a prominent figure in the carabineros intelligence services, was shot once in the head and twice in the thorax by an unidentified person who escaped with a companion.

The attack was perpetrated today on the first anniversary of the murder of Col Roger Vergara, director of the Army Intelligence School, killed by an extremist commando.

Last week, another security service agent was killed in this capital, in a number of attacks claimed by the proscribed Revolutionary Movement of the Left (MIR).

NEW SOUTH AFRICAN AMBASSADOR ON RELATIONS

PY152105 Santiago Chile Domestic Service in Spanish 1100 GMT 15 Jul 81

[Excerpts] "Chile and South Africa are the main anti-Marxist stalwarts," Lt Gen John Raymond Dutton, the first South African ambassador to reside in Santiago, categorically stated.

During his first news conference, the diplomat said that bilateral relations are very cordial. He explained that trade between the two countries has grown by approximately 400 percent in the last few years, having surpassed $42 million in 1980. He said his country has decided to double its participation in the Santiago industrial fair, where 60 South African companies will be represented this year. He said this fact confirms South Africa's confidence in the Chilean economy. The ambassador said he is particularly interested in promoting political exchange between Chile and his country.

He also denied the existence of a military pact between the two countries.

ECONOMY AND FINANCE MINISTER ULLOA INTERVIEWED

PY161250 Lima CARETAS in Spanish 8 Jun 81 p 36-39

[Interview with Economy and Finance Minister Manuel Elias Ulloa in Lima; date not given]

[Excerpts] [Question] During your absence, a law has been promulgated permitting the government to contract loans of up to $3 billion for 14 irrigation projects. These projects are not included in the famous 88-project group for a total of $4.5 billion that were presented in Paris. Isn't the country's indebtedness capacity likely to be surpassed?

[Answer] Not at all. The authorization is for the next 5 years.

[Question] At any rate, won't there be an exaggerated accumulation of debt?

[Answer] No. Our estimates, as well as those of the World Bank indicate that if we can modify 35 to 40 percent of the debt structure, negotiating more favorable conditions, we would have the same net indebtedness level at the end of the 5-year period. According to our plan, the burden on exports and on the GDP at the end of that period will be considerably lower than it is now.

[Question] That will hold if the GDP grows almost as much as 100 percent.

[Answer] Yes, because we hope that the soft portion of the debt will grow up to 35 or 40 percent again, as a result of the loans we have contracted. Moreover, there are grace periods in which we only will have to pay interests which are very favorable in some of these credit operations. Amortizations and debt servicing are very heavy now. This year we will have to pay $1.2 billion. These payments should become smaller even if loans are increased.

[Question] Some commentators point out that what is vaunted as successes today will have to be paid in 1982.

[Answer] Well, I don't know what successes they are referring to, what successes they are talking about, because we are just laying down the bases for an integral and consistent development so as not to move toward opportunism either in social or productive terms. Now we are confronting an inflationary process which we are trying to fight in all fronts and in the most effective manner possible. Within the type of economy we have, we are not exercising control to moderate prices and salaries, but we are trying to have some coordination on these through the Tripartite Commission.

[Question] Should the Tripartite Commission fail, what would happen to the economic program?

[Answer] We, as the government, would have to fight separately on the salary and price fronts. We would prefer to have a concerted action on this, that the parties involved should decide the policy to be followed regarding prices and salaries, considering our economic reality and the problems we have. We want everyone to realize the responsibility he has on this question, because the alternative is regulation.

[Question] There would be a contradiction in the case of subsidies. To subsidize wheat, funds have been transferred from the nutritional support fund, and a subsidy for household kerosene is being mentioned...

[Answer] We believe we can and must subsidize bread and kerosene, two vital articles for the people.

[Question] But that would create some sort of precedent, and subsidies would in the end be transferred to industrial uses...

[Answer] The policy we will follow aims to prevent that. A subsidy for public transport is on the books, as in all large cities in the world. With our social policy we will have to maintain some subsidies whenever justified, admitting that they will not be permanent. As soon as we have a decent transport service we can think of periodic adjustments in fares. But in the sorry conditions of public transportation today, I do not believe that substantial fare increases can be justified. We want to spare the country recession and unjust social cost. So we have to prolong our fight against inflation, to make some concessions which are compatible with the monetary program and the manner in which we are fighting inflation.

[Question] EQUIS X magazine has mentioned a shady deal: the purchase of locomotive and railroad cars to the tune of $300 million through negotiations directly conducted by yourself, without calling for bids.

[Answer] That type of question I do not answer. In any case, those who slander and lie will be accountable in court. They will have to prove the accusations they are systematically making to implicate members of the government in shady deals.

[Question] According to the Andean report, the rate of inidevaluations should be 3.5 percent per month, taking into account the domestic and the internatinal rates of inflation.

[Answer] I have not seen how they make their calculations, but we and the Central Bank have made calculations. In the perspective of the anti-inflationary fight, we believe that rate is fine, but we are not committed to it. We will implement a realistic foreign exchange policy. We are not going to have a situation like Argentina where, because the rate of foreign exchange was artificially maintained, there has been an explosion and they had to devaluate 70 percent in 5 months. We are not going to have a rate of foreign exchange detrimental to our exports or industry by permitting unnecessary imports of goods, capital goods or durable consumers goods. We have to protect our productive establishment, exporters and industrialists, so that it can develop as the country needs.

[Question] That is to say that you are not afraid of an underdevaluation of the dollar in relation to the Peruvian sol?

[Answer] Not all all. We have demonstrated it. We made a strong readjustment in the first quarter because there was a deregulation and so we deregulated the foreign exchange rate.

[Question] Will there be a gap in the balance of payments at the end of the fiscal year, due to the price drop of Peruvian exports and due to a dollar flight stimulated by the government's economic policy to avoid monetization?

[Answer] I don't believe so. Ah! In a speech I made in August last year, I warned against exaggerated optimism as to the situation of the balance of payments, saying that our situation was precarious because the prices of our basic exports were volatile. Unfortunately, what happened in the oil and mineral international market bore out my prediction. We followed a cautious policy. We have information permitting us to believe that the prices of our products, including oil, have bottomed out; so they are bound to improve. The estimated deficit of the balance of payments is 5 percent of the GDP, quite tractable. Our foreign reserves have declined because we have just recently made payments of $350 million to our foreign creditors in order to make other loans on more favorable terms, longer maturity, for specific purposes, not to finance deficits.

[Question] Will the deficit fall on current accounts, not on the trade balance, technically speaking?

[Answer] I believe that the trade balance can come out more or less even. It seems to me that in recent months there was a deficit of $40 to $60 million in the trade balance, but I believe that the final deficit will fall on current accounts.

[Question] Would that situation improve in accordance with the inflow of loans to be contracted?

[Answer] That's correct. Because of that inflow and because we are expecting improvements both in prices and production. For instance, if we increase, as is perfectly possible, daily oil production to 40,000 barrels by the end of the year, both by OXY [presumably Occidental Petroleum] and Petroperu, there will be an important and immediate economic effect.

[Question] And the food factor?

[Answer] Certainly the production of rice, sugar and other agricultural products which we have been importing should increase, including the production of meat.

[Question] The consensus is that the limit advisable for a fiscal deficit is being exceeded and, although references are made to a circumstantial or potential deficit, there is already a real deficit which has not yet been officially recognized. This deficit would be at about 6 percent of the GDP.

[Answer] The public sector deficit, which is not just budgetary but of the entire public sector, is estimated at 5 to 5.5 percent of the GDP. This estimate is shared by the World Bank, the IMF, and others. Obviously, we are trying to reduce it, because we should not just go on spending merrily. That deficit is influenced by the price policy we are following, especially on fuel prices. We are concerned over the situation of public sector enterprises, the problem with CECOAAP [Peruvian Central of Agrarian Sugar Production Cooperatives]. Some state enterprises are still demanding some financial assistance. Then, there still are some important things to do regarding the control of public expenditures,but seeking to reduce expenditures, as much as possible at the same time.

[Question] There is doubt whether the public administration will be able to manage eventual loans...

[Answer] That is right. Reaching an agreement, preparing a project and obtaining credits are one thing but carrying out the project is another. There are operational problems. We are not going to just happily get in debt and then make the same mistakes made in the past; a credit was obtained and 5 years later the money was not used because either the counterpart did not put in its share or there was no administrative know-how to manage it.

[Question] This would mean a serious reorganization of the public adminstration, but there are no plans for the immediate future on this matter.

[Answer] I would not say that. Before 15 June, we will have reorganized and approved the organic laws of the public adminstration.

[Question] But you as a lawyer know that laws also create "loopholes."

[Answer] Well, in this case it is not a question of loopholes because the purpose of the law is not to cheat (laughter). Undoubtedly, reorganizing the public administration and approving a law are not enough. However, these measures will permit greater independence, better ability for getting contracts, greater autonomy and at the same time a detatchment from the treasury of the public sector. There are state enterprises that should be liquidated. We are not going to indefinitely support ineffective and costly enterprises or an intermediary system in the marketing of products or whatever because they cost a fortune and greatly raise the price of products.

[Question] Are banks included among the public enterprises to become privately operated?

[Answer] No, the public banks are efficient. The joint bank system is profitable and is managed with complete independence and professionalism. Regarding the development bank, I believe that it should be adjusted for more volume.

[Question] Will the state be allowed to share the assets of banks in the future?

[Answer] It is difficult say what will happen...

[Question] Isn't the possibility of the state having participation in the creation of banks going to be legally limited?

[Answer] No, but the state has no interest in increasing its participation...

[Question] Certainly, but this is a problem of policy, but isn't legal instrument going to obstruct this participation?

[Answer] The law will definitely not obstruct the state from carrying out a financial, bank or commercial activity.

[Question] And the speculations in this field...

[Answer] They are unfounded; besides, the project will be publicly known very soon.

[Question] During your recent meeting with Senator Alva Orlandini in Madrid, did you reach similar points of view, did you agree on policies?

[Answer] We agreed to meet on 1 June, on the anniversary of Popular Action (AP). We wanted to be together to celebrate an important date for the party and for our personal lives. Obviously, I had an opportunity to talk about what has taken place in the Congress during the time I was abroad, the political evolution and the general situation of the country. I would say that I have a good relationship with Alva. Obviously, we do not agree on everything, as is natural and predictable, but we do have a clear vision of the unity of the party, the responsibility of everyone to maintain this unity. Regarding the areas where there may be disagreements, there is a concensus for permanent and open dialogue to resolve--through party unity and solidarity among government members--any problem.

[Question] What do you believe are the proposals contained in the economic document submitted by Senator Alva that you would consider valuable or that can be absorbed by your policies?

[Answer] First of all I would like to make clear what Alva himself has made clear to me. This is not a program submitted by Alva. He did not even have time to study it. He received the opinion of a group of people who, through him, have tried to deliver to the president some suggestions regarding the economic measures. I have not read it either. From what I have heard, I agree with a number of points. On the other hand, I believe there are a number of generalities.

[Question] Your statement regarding the Andean Pact, subregional integration and changes in Decision 24 have created some uncertainty in international circles.

[Answer] First of all, there have been problems which we have not created: the Bolivian political situation and the confrontation with Ecuador. There is certainly no problem from out part. On the other hand, we have already questioned some industrial programs. We unsuccessfully tried to get the approval of a common tariff. We proposed the need to move toward physical integration. Today, despite the existance of 12 years of the Andean Pact, it is impossible for a truck to leave Lima and reach Caracas. We believe that this effort is useless if there is no physical integration. Our agricultural programs do not complement each other.

We believe that the possibility of defending ourselves from foreign transnationals should be studied. We should create Andean transnationals, give facilities to the movement of capital and savings quotas among our countries. We believe that there is a need to strengthen credit and insurance organizations so that part of what we spend abroad will at least remain in the Andean Pact strengthening the organizations helping our development and thus becoming new instruments. We are putting emphasis on this. Decision 24 is one of them and there is no major problem. On the contrary, Decision 24 establishes the possibility of a unilateral action to change some of the ideas or rules established by this decision: but Peru does not want to do anything unilaterally. Peru is searching for consensus based on the violations made by other countries of this and other decisions and industrial programs. We would like to seriously agree because it is not advantageous for us to violate rules.

We are going to try to create flexibility so that each member can adjust to its real understanding and know-how and take away the rigidness that could create a problem in the future if a country realizes that it cannot live within the pact. The two basic activities of the country are oil and mining and they are both included in Decision 24.

[Question] Disregarding the attitude of triumph and skepticism of some biased sectors, how would you evaluate, percentage wise, your negotiations in Paris?

[Answer] Look, I do not believe in feeling triumphant because I know how temporary triumphs are. Considering that we set up objective goals, I believe that the negotiations were very satisfactory for the country. What were our goals? First of all, emphasize the meaning of the efforts made by this government and the recovery of the democratic system; the kind of representativity of this government and the degree of possibility in continuing with its policies. I believe that in this aspect, Peru has shown signs of maturity, responsibility, ability, preparation and study and analysis of its projects and development plans; a fact that has been fully recognized. When I met with the French prime minister and the economy minister of the socialist government, their support for our policies and our development plans were clear, enthusiastic and frank. Another objective was to show the international community the quality of the public sector, the congress, the private sector and everyone's support for the great national objectives. I believe that the great majority of the projects we took with us have a great chance of being carried out; there are some projects that must be put up to date and others merely approved. We did not go to sign documents because we did not have legal authorization.

[Question] What percentage of the negotiated $4.5 billion will possibly be granted?

[Answer] I would say at least 75 percent for sure.

FOREIGN MINISTER MAY VISIT USSR IN SEPTEMBER

PY161444 Lima CARETAS in Spanish 6 Jul 81 p 27

[Text] Foreign Minister Javier Arias Stella will reportedly visit Moscow in September to discuss Olmos and other financial cooperation projects and a cultural agreement between the two countries. To this end, the Peruvian-Soviet commission will meet in the next few days. The commission will also discuss issues related to the forthcoming UN General Assembly.

Hubert Wieland, the Peruvian ambassador to Moscow, will return to Lima in August. It is not yet known who will replace him.

MENA REPORTS ON EGYPTIAN MINISTER'S VISIT, COMMUNIQUE

NC161058 Cairo MENA in English 1045 GMT 16 Jul 81

[Text] Montevideo, Uruguay, 16 Jul (MENA)--Uruguay has expressed its full support for the peace treaty which is considered the strong basis for achieving permanent and overall peace in the Middle East area and which takes into consideration the right of the Palestinian people to choose the solution they view proper for their problem.

This came in a joint communique issued in Uruguay yesterday following a visit by Egyptian Minister of State for Foreign Affairs Dr Butrus Ghali.

The communique said that Dr Ghali was received by the President of Uruguay to whom he delivered a personal message from President Anwar as-Sadat.

The Egyptian minister of state for foreign affairs gave to his counterpart in Uruguay a full explanation of all matters pertaining to the multi-national peace keeping force which will be stationed on the Egyptian-Israeli borders and extended an official invitation to the Government of Uruguay to take part in this force, the communique added.

It added that the foreign minister of Uruguay promised that his government will seriously consider participation in this force.

The joint communique said that Dr Ghali met during his visit to Uruguay the ministers of economy and agriculture in addition to the talks he held with the foreign minister and a number of military officials on bilateral relations between Egypt and Uruguay in the various fields.

It added that the two sides agreed on the importance of signing a long-term agreement providing for supplying Egypt with important foodstuffs and at the same time encouraging Egyptian exports to Uruguay.

The communique also said that the Egyptian minister of state for foreign affairs and the foreign minister of Uruguay signed the executive programme of the cultural agreement concluded between the two countries in 1959.

As regards the situation in Afghanistan, the joint communique said that the two ministers agreed on the necessity of reaching a settlement on the basis of the principles of the United Nations Charter and its resolutions in this connection.

As regards the situation in Lebanon, the communique stated that the two ministers expressed hope for the realisation of a solution guaranteeing Lebanon's territorial integrity and the right of its citizens to live in peace.

Dr Butrus Ghali left Cairo on July 8 on his way to Latin America to start a tour of seven states, namely Uruguay, Venezuela, Colombia, Panama, Honduras, Argentina and Guatemala.

INTERIOR MINISTER MEETS PROSCRIBED POLITICIANS

PY161919 Montevideo Radio El Espectador Network in Spanish 1600 GMT 16 Jul 81

[Excerpt] More proscribed politicians will soon meet with the interior minister. This information was provided to El Espectador by Interior Minister Yamandu Trinidad, who met with four citizens whose political rights have been stripped by the government.

The minister emphasized that the opinion of these politicians are also a valuable contribution to the current process. He also confirmed that the new president will be designated on 31 July. He added that this will provide enough time to plan the institutional future with the armed forces.

This is the conversation with the minister:

[Begin Trinidad recording] The meaning we have always given to this type of dialogue is to speak to everyone. Obviously, those who are in this situation could not go to [words indistinct] factions of traditional political parties [words indistinct] and the opinion of everyone is important. This is why they were called, to listen to them and be able to have as clear a picture as possible, for everyone to understand the purpose of the armed forces. I believe we have achieved this and I am very optimistic regarding results.

[Question] What is the spirit of these people you have called to today's meeting, an exchange of ideas which--according to what you said--will continue in the Interior Ministry?

[Answer] My general impression is favorable. I believe that just as there was loyalty (on the part of the government) we expect the same in return. I believe that according to what has been said during the conversations, it will help us in the future because the answers to our questions are coming readily and clearly and I feel--there is no reason to doubt--that the opinions were positive.

[Question] As you know the public is always speculating, the people want to know the reasons for the actions of officials in the government, the armed forces, in the diplomatic field, in sports. The important question is: why this sudden opening?

[Answer] This may be sudden to the people in general but not to us. The armed forces are constantly studying all the problems related to this process and it was believed that this was the right time because a new president was going to be designated and the cabinet reshuffled or a new one formed. Therefore, it was very important for the people to see the steps we were taking and this is the reason for this dialogue which I believe is producting positive results. [end recording]

POLITICAL PARTIES WILLING TO CONTINUE MEETINGS

PY151948 Montevideo Radio El Espectador Network in Spanish 1600 GMT 15 Jul 81

[Text] No new dates have been set for further meetings between the Armed Forces Commission for Political Affairs, COMASPO, and political parties. The political groups that already met with COMASPO are willing to continue with the meetings.

This is the position of political parties after the second round of meetings with COMASPO. The Group of Ten of the National Party believes that political proscriptions without legal basis should not exist and that the new president should maintain an open dialogue with the people.

The group of six of the Colorado Party has decided to cooperate, without accepting public positions, to achieve institutionalization. The coordinating board of the Herrerista faction believes that the proscription affecting politicians of proven nationalist democratic conduct should be lifted. The movement for national accord of the Colorado Party reiterated the importance of dialogue and indicated that it has not received any offer to become a member of the Council of State.

FOREIGN MINISTER COMMENTS ON DISPUTE WITH GUYANA

PA161340 Paris AFP in Spanish 0534 GMT 15 Jul 81

[Excerpt] Caracas, 14 Jul (AFP)--Venezuelan Foreign Minister Jose Alberto Zambrano said here today that the search for a solution to the territorial dispute with Guyana within the framework of the Geneva agreement will lead to positive results.

Zambrano appeared today before a closed door session of the Bicameral Foreign Policy Committee of the Venezuelan Congress. The committee members questioned him in particular on the results of his recent trip to London during which he discussed the problem with the British Government.

The foreign minister later told newsmen: "This is a problem that must not be viewed in terms of gains or losses but seen as the gradual implementation of a strategy that will constructively lead us to a satisfactory solution acceptable to both sides, as is established by the Geneva agreement."

He added that Venezuela and Guyana have been following their individual strategies and that in the case of Venezuela it has been producing very positive results.

OAS' ORFILA VISITS, TO MEET HERRERA CAMPINS

PA131630 Caracas Radio Rumbos Network in Spanish 1530 GMT 13 Jul 81

[Text] On the first day of his visit to Venezuela, OAS Secretary General Alejandro Orfila is complying with a busy schedule. This morning he placed a wreath at the grave of the liberator at the national cemetery. Afterwards, he met with Foreign Minister Zambrano Velasco at the Yellow House. Later, he met with congressional leaders at the Legislative Palace. This afternoon, he will meet with President Luis Herrera Campins at Miraflores Palace. Orfila will discuss the situation in the Caribbean, and especially the crisis in El Salvador and Guatemala, with Venezuelan authorities.

GOVERNMENT CONTINUES TO DECREASE OIL PRODUCTION

PA121610 Paris AFP in Spanish 2204 GMT 11 Jul 81

[Text] Caracas, 11 Jul (AFP)--Venezuela has continued to decrease its petroleum production and exports according to OPEC's decision, it was officially announced here today. Venezuela is currently producing 1,821,000 barrels a day of crude and is exporting 1,728,000 barrels, which is under the average goals for both activities for 1981, which were 2.2 million and 1,895,000, respectively.

Ten countries of the 13 members of OPEC decided at the ministerial meeting held in Geneva, Switzerland, in late May to cut down production by 10 to 15 percent to stabilize the market for crude oil, which now has surplus of supply.

FLOODS CAUSE HEAVY CROP, CATTLE LOSSES IN BARINAS

PA062320 Caracas Radio Rumbos Network in Spanish 1530 GMT 6 Jul 81

[Text] The damage caused by floods in Barinas State has been estimated at 100 million bolivares. Governor (Jose Gonzalez Puerta) places the number of victims at 6,000. In the flooded areas of Barinas the waters are beginning to recede, but 45 percent of the territory is still under water. Hundreds of farms and cattle ranches have been affected by the overflowing rivers, and 66,000 hectares of farmland were destroyed. Hundreds of head of cattle have drowned and the roads are impassable. Barinas is desolated after one of the worst floods in the past few years.

SPANISH LEGISLATORS ARRIVE FOR VARIOUS MEETINGS

FL131933 Mexico City NOTIMEX in Spanish 1500 GMT 13 Jul 81

[Text] Mexico City, 13 Jul (NOTIMEX)--The representative of the Spanish legislative delegation, Landelino Lavilla Alcina, arrived in this capital last night for the second Spanish-Mexican legislative meeting. He is scheduled to meet with President Jose Lopez Portillo.

The president of the Spanish Congress is accompanied by Deputies Victor Carrascal, of the Centrist group; Luis Gomez and Jose Martinez, Socialists; Ignacio Gallego, Communist; and Maria Victoria Fernandez, who belongs to the rightist Democratic Coalition.

The Spanish legislators will meet with representatives of the Mexican Senate's Standing Committee and the Chamber of Deputies' Standing Committee. They have also scheduled a meeting with Deputy Secretary for Foreign Affairs Rosenzweig Diaz.

Spain Thanked for Oil Support

FL132347 Mexico City NOTIMEX in Spanish 2100 GMT 13 Jul 81

[By Enrique Alvarez Manilla]

[Text] Mexico City, 13 Jul (NOTIMEX)--President Jose Lopez Portillo has stated that Mexico is undergoing the best moments of its democratic tradition in difficult times, which makes the challenges more interesting to the will of the people. The president was speaking at the end of a visit by Mexican and Spanish legislators headed by Joaquin Gamboa Pascoe, chairman of the Mexican Senate's Standing Committee.

Lopez Portillo said that with their democratic tradition, Spain and Mexico are continually seeking authenticity founded on the purest expression of sovereignty which inalienably lies with their peoples.

The president gave thanks on behalf of the Mexican Government for Spain's gesture of solidarity toward Mexico at a time of crisis and change. The chief executive referred to Spain's reassertion that it would continue its purchases of Mexican petroleum. He indicated that Spain understands the relationship that Mexico wanted to establish with peoples with common ties which went farther than trade: relations of cooperation and reciprocal assistance.

Lopez Portillo told the legislators that they represent mother Spain and he expressed his conviction that the practice of interparliamentary communication would bear fruit throughout the course of time, uniting the two nations. He concluded by stressing the importance of these meetings and the fact that representatives from the two countries got together to analyze the moment and circumstances and further their friendship.

PEMEX SAYS EXPORT LEVELS TO BE RESTORED BY AUGUST

PA161344 Mexico City International Service in Spanish 0300 GMT 16 Jul 81

[Text] Pemex has reported that confirmations of orders and new orders for crude have been received which will permit the reestablishment by August of the export levels reached during the first half of the year, approximately 1 million barrels a day.

The countries which have responded positively include the United States, Spain, Canada, Japan, Brazil and France; and the Shell, [name indistinct], Union Oil, Arco and (?Esso) companies. [sentence indistinct].

OPPOSITION LEADERS VIEW PARTY UNITY TALKS

PA162153 Panama City Televisora Nacional in Spanish 2315 GMT 15 Jul 81

[Text] The political parties opposed to the national government have been holding a number of meetings to form a common front to counteract the electoral strength of the government. For the Popular Action Party [PAPO] led by Carlos Ivan Zuniga, this initiative seeks the following:

[Begin recording] [Suniga] We wish to retain our own identity as a political party. We also wish to fulfill the mandate that the people who registered in the party have given us: to fight for unity among the opposition. We believe we must fulfill this mandate; therefore, we are holding meetings with all the political parties in order to reach positive understandings and agreements for the good of Panamanian democracy.

[Question] What has been achieved so far? Has any agreement been reached?

[Answer] Yes. We have already spoken with the Christian Democratic Party [PDC] and with the Panamenist party led by Arnulfo Arias. Today we will speak with the Liberal Party. The agreements we have reached can more or less be defined as the following: 1. We all want the country to become democratic. 2. We all agree that the opposition should be united in its actions. These actions include the struggle for a constituent assembly and the struggle for an election. This also means that the opposition parties should draw up the draft of a constitution that would represent the political thought of the opposition, so that if we carry out a struggle for a constituent assembly or for constitutional reforms, we will have something to offer the people as an alternative. In general terms, we think that the initiative to draft a constitution has captured the interest of the opposition political parties.

[Question] In the same vein, wouldn't the parties be interested in unifying in order to confront the government in an election?

[Answer] The PAPO is firmly convinced that only through the unity of all opposition forces could we defeat the current government. This is how we see things and we are acting on this assumption. The party's struggle will be solely to achieve the unity of the opposition. I think we are very close to this goal. We are taking firm steps in that direction.

[Question] Do you think the political parties can be reconciled and that opposition unity can be achieved? Do you think this is feasible and possible?

[Answer] This unity is possible to the extent that, before achieving unity for elections, we can prove that we can agree on other things. If we can unite to draft a constitution, to fight for a constituent assembly, to fight for presidential elections before 1984, then I don't think we will have difficulty reaching agreement on electoral formulas. There would be no obstacle because many sectors of the opposition are now setting their personal aspirations aside. To the extent that this becomes generalized and with a view toward total unity, I honestly don't think it will be difficult for opposition figures to achieve a national agreement. We are aware and I think the people are also aware that if the authentic democratic forces that oppose this government do not unite, the people will be frustrated in the presidential elections that should immediately be held. [end recording]

Ricardo Arias Calderon, chairman of the Political Committee of the PDC, explained that the Christian Democrats are participating for the first time in an initiative for the unity of the opposition.

[Begin recording] [Arias Calderon] In this historic phase Christian Democrats have two basic objectives: The first is to effect a change in the current regime in order to achieve institutions that are truly democratic.

The second objective is to unleash, through those democratic institutions, energies that will enable the country to achieve a socioeconomic development that will enable the country to achieve a socioeconomic development that will provide the people with an essential well-being now unavailable to them. The unity of the democratic opposition is needed for these two objectives.

The talks we have been holding with the Panamenist party led by Arnulfo Arias, the Liberal Party led by Arnulfo Escalona, the PAPO led by Carlos Ivan Zuniga and other parties with which we are going to speak in the next few days have the objective of forging the unity of the democratic opposition which will help the country achieve the two previously mentioned goals.

[Question] Do you think this opposition unity is feasible? To what extent can it be achieved?

[Answer] I think it is feasible. I believe this for two [as heard] reasons: One is merely a tactical reason. Our adversary, promoted by the current regime which may or may not be democratic, is strong. Our adversary is entrenched in the government bureaucracy, which receives support from sectors of the National Guard, which uses its political and economic advantages to maintain the status quo and to prevent change.

Therefore, those of us who want to carry out changes and who believe in democracy and oppose this regime must unite. Together we are a majority. Individually we are obviously not a majority.

[Question] How far have these talks on this democratic opposition unity advanced?

[Answer] I think these are the initial talks. This is the first time that the parties have discussed the best path to follow in order to continue these talks. However, I think we have advanced enough in these initial talks to have confidence that other steps can be achieved. Areas of real unity can be gradually seen. We all fall within the democratic opposition. We all want institutional changes. We all want to unleash those energies for the development of the country. We all know that we must unite to do this. I think it is very encouraging that we have reached this type of consensus.

[Question] Would this democratic opposition unity be for a constituent assembly or for elections, or for both?

[Answer] I think it is for both options. The goal is to achieve sufficient political power through an electoral struggle so that we can create a political situation that will permit institutional change. A constituent assembly is one of the best ways to achieve institutional change.

[Question] Is it the only way?

[Answer] No, I don't think so. However, if that were the formula that inspired maximum unity among the opposition sectors for the institutional change, then the Christian Democrats would not object.

[Question] What about the elections?

[Answer] I think the elections are aimed at creating a political situation in the country which will make institutional change possible. I think this point is generally accepted by the different groups of the democratic opposition. [end recording]

However, for the Liberal Party, the opposition unity is nothing new because, according to its president, Arnulfo Escalona, the opposition has been united for the past 3 years.

[Begin recording] [Escalona] The Liberal Party, which I am honored to lead, achieved opposition unity in elections in Herrera, Los Santos and Cocle Provinces. The opposition was united through a campaign which the Liberals promoted.

Liberal leaders interpreted the desire of the people. Throughout the country the people want unity among the democratic sectors. Therefore, we have been advancing since we took the initial step when we established the well-known high-level commission so that the law on political parties would be issued. I am now pleased to see that not only the Liberals interpreted the desire of the Panamanian people by registering as a party, but that the PAPO and the PDC have also done so. Other political parties are already announcing that they will participate. They support the desire of the people that Liberals interpreted 3 years ago by participating in the high-level commission which drafted the law on the organization of the political parties. Today that law permits us to have a system of political parties. Therefore, I think that opposition unity is already in effect and that the rest of the political leaders only need to be convinced of what Panamanian Liberals began 3 years ago.

I think we are achieving this. Today we are going to lunch with other political parties. Viewing this opposition movement, one can assess the national political reality and the plans for the elections in 1984 or before if the people so desire and demand it and if the current authorities permit it. [end recording]

NICARAGUAN ENVOY COMMENTS ON REVOLUTIONARY GAINS

PA150304 Panama City Televisora Nacional in Spanish 2315 GMT 14 Jul 81

[Text] The Nicaraguan ambassador in Panama, Francisco Quinones Reyes, said today that he has no knowledge concerning the presence in Panama of Commander Eden Pastora.

During a news conference held at the embassy this morning, the Nicaraguan diplomat commented on various aspects of the activities in his country and on the first 2 years of the Sandinist revolution which will be commemorated on 19 July. The diplomat answered many questions by the local and international correspondents. Ambassador Quinones noted the advances of the literacy campaign and the increased number of teachers and medics at the service of the Nicaraguan people.

During the news conference Ambassador Quinones Reyes received a delegation from the Panamanian Committee of Solidarity with the Nicaraguan people, headed by Rogelio Sinan. Sinan wanted to reiterate the committee's support for the sister nation of Nicaragua on the second anniversary of the revolution. The following are excerpts of the ambassador's responses to questions posed by members of the local and foreign press:

[Begin recording] [Quinones Reyes] We have been the victims of a campaign organized by the transnational news agencies in an effort to strangle the revolutionary process in my country. As we approach 19 July, the second anniversary of the revolutionary process, it is worth mentioning that we found the country afflicted by hunger, misery, injustice and sickness. So that you may have a better idea of the situation in Nicaragua at that time, let me say that on 19 July 1979, 57 percent of the Nicaraguan population was illiterate; there was a deficit of 4,700 teachers and a similar deficit of medics. The country's unemployment rate was 60 percent. Today only 12 percent of the population is illiterate; 60 or 70 percent of the teachers' deficit has been covered. A similar percentage has been registered in the medics' shortage. In addition, the inflation rate has been reduced to 15 percent.

[Question indistinct]

[Answer] Currently there is a tendentious campaign to create a division in Nicaragua between the church and the Sandinist popular revolution. We feel that although some small problems within the revolution involving the church do exist, they can be gradually solved through dialogue. In fact, a meeting has already been scheduled between the four priests participating in the revolutionary process and the Nicaraguan bishops. We hope this dialogue will result in positive action and we hope the bishops will understand that the true church of Christ, taught to his followers, noted that the church must be on the side of the oppressed; that is, with the people. [end recording]

COSTA RICA

NICARAGUA CLOSES BORDER BECAUSE OF 19 JUL EVENTS

PA170307 San Jose Radio Reloj in Spanish 0100 GMT 17 Jul 81

[Text] Nicaraguan authorities have closed the border with Costa Rica and have apparently done the same with Honduras. The closing is due to the forthcoming festivities scheduled for the second anniversary of the Sandinist revolution, Security Minister Arnulfo Carmona Benavides said.

The closing of the border is logical, the security minister said, because it helps to prevent the entry into Nicaragua of a person or group determined to sabotage the ceremonies.

Carmona Benavides said he does not know how long the border will remain closed, but it may last until 1 or 2 days after the celebration.

Meanwhile, a member of the northern command said that the border with Nicaragua was closed from 1000 to 1400, that it was reopened later and closed again as usual at 1800. Movement has been normal and there is no indication as to whether the Nicaraguan authorities will keep it closed tomorrow, the civil guard spokesman said.

When the border was closed there were some problems, but later everything returned to normal and buses, trucks and persons crossed without incident.

EL SALVADOR

RADIO VENCEREMOS ANALYZES MILITARY SITUATION

PA161812 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jul 81

[Station commentary: "Regarding the Present Military Situation of Our Struggle"]

[Excerpt] The qualitative and quantitative jumps that have rapidly occurred in the development of the armed struggle of our people since 1979 are so great that they have allowed us to go from an irregular war situation to military maturity.

The high level of development and consolidation of our military forces is seriously endangering the junta's political stability.

In 1979, our people in arms took their first qualitative step by creating true military units in the rural areas. By the end of 1980 and the beginning of 1981, there was a substantial change in the balance between the forces of the dictatorship and our forces.

This is how in January 1981 the guerrilla columns of the rural areas and strong contingents of the urban sector came to launch their first large-scale offensive operations.

Our armed people have perhaps made the most important achievement at the military level: the guarantee of an effective rearguard. This means that the Farabundo Marti National Liberation Front [FMLN] may remain trained and permanently armed. The FMLN is capable of forcing the army to fight whenever it makes a move.

In the face of these conditions, the FMLN was able to group and regroup its regular troops and pass from defense to offense, starting a large-scale war of attrition against the enemy.

Another of the effective political-military achievements of our forces is undoubtedly the arms buildup which has conditioned the advance of our own military capacity. This buildup forces the enemy to use all its weapons. This evident and firm advance of our forces has definitely and substantially modified the balance of forces at the military level to the extent that, due to their new and baffling situation, the army and the U.S. Government have been forced to change their military plan.

In the first place, the new plan of imperialism and the top fascist command to try to curb the revolutionary struggle had to recognize the military advance of our forces, which meant accepting the resistance of an effective rearguard. In view of the people's advance, the enemy plan has four aspects:

1. An effort to cut the strategic and military supplies to our forces. Despite all the ostentatious measures adopted by imperialism and the army, our arms buildup is the most important political-military victory which the FMLN has won so far.

2. The implementation of a war of attrition in order to diminish the offensive capacity of our forces. Regarding this, the situation gradually reversed and the operations which were initially designed to weaken our forces, became costly and counterproductive. Forty operations have been launched against the various areas under our control. The enemy has not achieved great results, but has weakened itself. In this regard, Napoleon Duarte's statements are not exaggerated when he affirmed that this war is costing the junta $15 million per month.

3. Another point of the enemy's plan is the use of genocide as a military strategy. This means that the large-scale crimes and other forms of terror used by the army against the people are not simply an act of cruelty and degeneracy. They are part of a plan to depopulate areas under FMLN control through terror and death. However, because it is retrogressive and aberrant, this plan only achieved two results: it increased the masses' insurrection and their repudiation and the isolation of the dictatorship.

4. The last point of the plan would consist of the creation of a mobile strategic force, but this has met all kinds of obstacles; therefore, this force has not been fully utilized. In any case, in view of the present conditions, it is impossible for it to succeed. Within the framework of our increased struggle, the enemy forces are being overtaxed; they are exhausted morally and physically.

In October 1980, the dictatorship was only using one-third of its forces but in January 1981, according to Colonel Garcia himself, the army began to use all its men and means. The army was still unable to control the situation and had to resort to the aid from the Americans. They are now fighting with all the (Uragan) and Fouga Magister planes on the firing line. Now they are even using retired officers and first-year cadets from the military school in the fighting. It must also be added that the recruits are being sent into combat with only 1 or 2 months of training.

The constant activity of our forces and the overall war situation is having a great impact on the economy, which is in chaos. The enemy's morale is clearly deteriorating because he knows that there are democratic and progressive individuals and trends within the army. The advance of the people's struggle is creating the conditions for a meeting between these officers and the popular forces.

ARMED FORCES REPORT SUCCESSFUL OPERATIONS

PA170035 San Salvador EL MUNDO in Spanish 15 Jul 81 p 3

[Text] The Armed Forces Press Committee (COPREFA) announced today that guerrilla cleanup operations in Cinquera, Jutiapa and Tejutepeque in Cabanas Department and the area surrounding the 5 de Noviembre hydroelectric dam (Chorrera del Guayabo) were successfully completed and that the armed forces had destroyed four subversive camps, seized large amounts of weapons and inflicted many casualties on the enemy.

Army spokesmen also said that because of the failure of extremists' operations in this area, the FMLN has begun to spread a series of lies through Radio Venceremos, in order to create confusion abroad and to conceal the destruction of the guerrilla camps and the failure of the guerrillas supported by foreign sectors.

COPREFA also said that the armed forces suffered several casualties but that the loss of these valuable lives is much less than the losses suffered by the extremists, especially in the El Jocotillo canton sector, in Jutiapa and on Azacualpa Hill, in Cinquera, Cabanas Department.

During the past 48 hours, COPREFA said, the troops have been relieved by fresh units who will protect the peasants who are already resuming their agricultural activities. COPREFA spokesmen said that the armed forces are in complete control of the region and that other army units will continue search operations in the surrounding area.

Unofficial reports say that many extremists fled the Jutiapa and Cinquera sector and have sought refuge in El Perico canton in Tenancingo.

SALVADORAN DEMOCRATIC MOBILIZATION DECLARATION

PA170149 San Salvador DIARIO DE HOY in Spanish 16 Jul 81 p 29

[Paid advertisement: "Unity and Action"]

[Excerpts] The wide acceptance of our previous publications entitled "A Single Path: El Salvador" and "Our National Summons," and the need to stress the great topics of general interest prompt us once again to offer the Salvadoran people our message of struggle and combat.

Despite the open and constant political propaganda issued at the national and international level by the official party, our country continues to be the victim of violence, improvisation, demagoguery, opportunism and political and administrative corruption.

Day by day, we observe how this situation continues to deteriorate.

If the foreign aid fails to reach us on time and in sufficient amounts, the patient will die. That is the reality.

To rescue the country from tragedy and chaos, we have proposed as the only solution the organization of a great movement which, devoid of any type of extremism, will group together the many sectors that make up the large national political center.

We have defined this as a democratic nationalistic force, respectful of the ideas of others but firm in its convictions; favoring social and economic reforms, but opposed to demagoguery and opportunism; solid in its ideologic concepts, but pragmatic in administrative activities; open to any type of dialogue without renouncing its democratic ideas; a promoter of the public interest over personal interest and a defender of justice based on freedom and order.

Once this movement has been organized, the Salvadoran democratic mobilization will disappear. It will do so aware of having fulfilled a historic and urgent task. It will have served as a catalyst which took a situation characterized by general dissent and disorganization and transformed it into a specific and organized democratic action, a positive and permanent force working to resolve the deep crisis affecting the nation. Thus, Salvadoran democratic mobilization will have in fact, as its name indicates, complied with the mission of mobilizing the awareness of the Salvadorans, creating a new driving and optimistic political movement which will courageously and intelligently take the place that has been reserved for it in the political struggles of our fatherland.

We hope these struggles will be waged through elections; that is our highest hope. We will accept these elections, however, to the extent that the conditions for such a public contest are appropriate. That is, there must be a true electoral climate without advantages or official domination, without one side predominating over another, without the officials using their posts for electoral advantages, without a single party hoarding all the available media for itself while the rest of the population is kept silent.

Otherwise, we will refuse to play into the hands of the official party and will abstain from endorsing situations similar to those already condemned by history; we will temper our weapons to use them as the circumstances may advise. The Salvadoran people may rest assured of one thing: Today and tomorrow, we shall unmask the deceitful; oppose demagoguery, arbitrariness and opportunism; and loyally defend freedom, order and social justice.

San Salvador, July 1981. Salvadoran Democratic Mobilization.

WORKERS ARRESTED FOR OCCUPYING OIL REFINERY

PA170238 Panama City ACAN in Spanish 1821 GMT 16 Jul 81

[Text] San Salvador, 16 Jul (ACAN-EFE)--Ten labor union members who occupied the installations of an oil refinery last night were arrested today and taken to the Treasury Police headquarters, unofficial sources reported.

According to reports, the workers were accused of holding meetings banned in this country because of the state of siege decreed on March 1980.

Workers of the El Dorado Oil Factory said that they had occupied the premises because the company had refused to fill a vacancy with the person who was apparently in line for it.

The workers said that a few hours after the occupation, labor and management had reached an agreement to continue work on that day.

Over 50 persons had been taken as hostages inside the refinery, but were released shortly after the negotiations.

Meanwhile, the Labor Ministry sent two inspectors to investigate the origin of the conflict. These inspectors reported that neither side had allowed the government representatives to intervene and that both sides had said that this was a matter to be settled only by labor and management.

GUATEMALA

FOREIGN SECRETARY ON BELIZE, OTHER MEETINGS

PA170209 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 16 Jul 81

[Text] Foreign Secretary Rafael Castillo Valdez has said that in the last round of negotiations in New York it was not possible to discuss matters such as the drafting of a final treaty from the bases of understanding because internal political problems in Belize and the UK precluded such discussions.

The foreign secretary stated that Guatemala firmly maintains its position that the treaties should be drafted and approved in a form that is totally in accord with the bases of understanding and that none of its points should be given priority over the others.

The foreign minister added that so far, the Guatemalan Government has not received any invitation to participate in a foreign minister's conference or a presidential summit meeting of the Central American countries to be held at Contadora Island in Panama. In any case, Castillo Valdez said in conclusion, as President Lucas has said on numerous occasions, Guatemala would have to weigh the advantage of participating in either of the two meetings; that is, it would have to decide whether the agendas for discussion are directly related to our country's problems.

DEFENSE MINISTER ON BELIZE'S INDEPENDENCE

PA170112 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 16 Jul 81

[Text] We Guatemalans are a brave and peaceful people, but we will not submit to humiliation, Gen Anibal Guevara Rodriguez, minister of defense, said regarding the possibility that the UK may unilaterally grant independence to Belize.

The minister said that in his opinion, Guatemala should not sign any nonaggression pact with Belize as has been mentioned, because this country firmly loves peace and does not hold a belligerent attitude toward the Belizeans. Instead, Guatemala wants to resolve the problem through viable diplomatic means.

Guevara Rodriguez added that for Belize to obtain independence without consideration for our country's position would be an insult to and an act of aggression against the Guatemalan people, who are brave and are prepared to defend their country's possessions. Therefore, he said, the best path to follow is for negotiations to continue at the diplomatic level. Moreover, none of the parties involved in the dispute should take action without the knowledge of the others.

GOVERNMENT CIRCLES CONDEMN ATTACK ON LA PRENSA

PA161840 Guatemala City Domestic Service in Spanish 1500 GMT 16 Jul 81

[Text] Guatemala's government circles, represented by authorized spokesmen, have condemned the recent attack against Nicaragua's newspaper LA PRENSA, which was closed by the Sandinist forces that rule in that sister nation.

As a journalist, the presidency's secretary of public relations has condemned this attack on the free expression of thought, adding that as an official he thinks there can be no democracy or democratic government without freedom of expression. When this principle disappears, he added, democracy itself is distorted. Finally, the official deplored the fact that measures of this type should continue to be imposed against newsmen and the social communications media in Nicaragua and other countries.

ORPA GROUP HIDES ON SAN MARCOS FARM DURING RAID

PA170226 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 16 Jul 81

[Text] An undetermined number of members of the clandestine Armed People's Revolutionary Organization, ORPA, stormed the Carolina estate in San Marcos and remained there for 8 hours. They were possibly hiding to avoid discovery by military units during a search operation carried out in that part of the country from 1500 to 2300.

HONDURAS

SALVADORANS TO ARRIVE TO DISCUSS TRADE RELATIONS

PA170219 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 15 Jul 81

[Excerpt] Salvadoran Foreign Minister Fidel Chavez Mena and Economy Under Secretary Oscar Raymundo Melgar will arrive this morning in Tegucigalpa, heading a special high-level Salvadoran mission to discuss trade relations between our two countries.

Early last week the trade negotiations in San Salvador failed. They suffered an "impasse" because of the heated discussion over how our two countries should handle the so-called sensitive products traded by the two nations.

It has been reported that the two ranking officials will join the bilateral trade commission to try to solve the problems which arose in San Salvador.

The Honduran Economy Ministry has disclosed officially that among the so-called sensitive products to be discussed are footwear and textiles.

SALVADORN FOREIGN MINISTER DENIES CHARGE

PA170429 Panama City ACAN in Spanish 2354 GMT 16 Jul 81

[Text] Tegucigalpa, 16 Jul (ACAN-EFE)--Salvadoran Foreign Minister Fidel Chavez Mena denied today in Tegucigalpa that "an official program of assassinations is being implemented in my country."

Chavez Mena spoke with newsmen after negotiating for several hours with Honduran Foreign Minister Col Cesar Elvir Sierra on trade and border matters that are pending between the two countries.

"The Salvadoran Government at no time directs a wave of assassinations, and any statement or position in this regard by former diplomats or newsmen is reproachable," the Salvadoran foreign minister said.

Chavez Mena explained that his country is undergoing a "process of violence" that has become generalized and that brings violent death to many people, "although this does not mean that the intervention of the authorities forms part of an official assassination program."

"My government seeks," he said, "to bring peace to the country by attaining four objectives." The basic objectives, according to Chavez Mena, are to establish the bases of an authentic democracy, to implement a program of participation in the social and political areas, to carry out development plans and to raise social justice to the highest possible levels.

"We believe that social and political factors must come together in an atmosphere of peace and for that reason we do not agree that a program of assassinations is underway."

"El Salvador's army is a professional one and it is carrying out in conjunction with the government--with which it is actually one and the same thing--a program that will allow the development of a democracy that we regrettably have had [as received]. For this reason, it seeks to bring peace to the country by combatting extremism, terrorism and the greed for power of subversive groups," Chavez Mena said.

Chavez Mena said that the government he represents as foreign minister is carrying out development plans and that the opposition groups, feeling that their banners have been wrested from them, are now acting out of the desperation that comes of not having a cause for which to fight.

In the area of agrarian reform, Chavez Mena said that the financial and technical aid being provided by international financial organizations is being distributed "and we are doing it in a rational manner."

The foreign minister also said: "I believe that a political solution to the current violent crisis is possible through the process of democratic popular elections that is being readied, although there are difficulties because of the intransigence of the groups that oppose the government."

BRIEFS

AMBASSADORIAL APPOINTMENTS--Alejandro Vanegas was appointed Ambassador of Honduras to the Holy See and Portugal on 3 July. Eliseo Perez Cadalso, the present Honduran ambassador to Spain, was appointed alternate representative to Egypt, Turkey and Lebanon. [Tegucigalpa Domestic Service in Spanish 1130 GMT 4 Jul 81 PA]

NICARAGUA

SPEECH BY DEFENSE MINISTER HUMBERTO ORTEGA

PA152157 Managua Domestic Service in Spanish 1606 GMT 15 Jul 81

[Speech by Defense Minister Humberto Ortega at the graduation of officers at the Carlos Aguerra School in Managua--live]

[Text] Companero members of the revolutionary government, Companero Roberto Arguello Hurtado, chief justice of the Supreme Court; companero ministers; Companero Joaquin Cuadra, minister of finance; Companero Moises Hassan, minister of construction; Companero Emilio Baltodano, [words indistinct] companeros of the general staff; companeros of the secretariat; [words indistinct]; companero relatives of those who have been promoted today; all companeros:

First, we must extend an enthusiastic, fraternal and revolutionary greeting to all brothers who were promoted today due to their merit and background, and due to their excellent work in the past and, of course, in the present in the task entrusted to them by the revolution [words indistinct] of the national directorate of our historical vanguard, the Sandinist National Liberation Front [FSLN].

We must also extend an enthusiastic greeting from the High Command of the Sandinist People's Army [EPS] and the top commands of the Interior Ministry. This ceremony demonstrates that our armed forces are growing and developing rapidly along the revolutionary path, along the path of [word indistinct], along the path of daily, self-sacrificing effort to carry out the tasks of the revolution.

Today, 15 July, was chosen for this ceremony to hand out your insignia. This date is one of great importance for the Nicaraguan revolutionary movement and for the FSLN. On 15 July 1979, the Sandinists, who by that time already had many years of struggle and effort under their belts, were worthily represented by the brave and revolutionary presence of militant fighter Julio Buitrago Urros, who gave his life in an unequal fight against the genocidal Somozists. Also, on that day Student Marco Antonio Rivera and workers (Manuel Castrillo) and [name indistinct] Blandon, all from the people's ranks, like Julio Buitrago, resolutely and firmly faced up to the Somozist dictatorship, offering up their valuable lives. Similarly, on 15 July 1978, Jose Benito Escobar, a laborer, a Sandinist, a Sandinist leader, a forger of the FSLN, an unyielding fighter, also gave his blood for our people's revolutionary triumph.

Therefore, this day has for us a high moral content, a high revolutionary content, a high patriotic, anti-imperialist, Sandinist content for us to reaffirm our determination, the determination of you companeros who have been promoted, to reaffirm your revolutionary militancy, your revolutionary loyalty, your revolutionary duties, your loyalty to our historical vanguard, the FSLN, and your unyielding loyalty to our fatherland, our revolution and our revolutionary government. Let the blood of our heroes and martyrs truly help you in your daily work, in the daily fulfillment of each of your assigned tasks, to reaffirm the commitment that you are making today.

Our armed forces have managed to overcome the difficult material conditions, the lack of organizational experience and the lack of a number of resources that we encountered in the first days, particularly in the first months after 19 July 1979. Despite the innumerable problems caused by the lack of experience, and above all the permanent activity of the armed counterrevolution in the border areas, as well as in the interior of the country, in Masaya, Carazo and other areas in which there have been counterrevolutionary activity, and the criminal acts which have been committed more and more in conjunction with counterrevolutionary acts--all these obstacles have not paralyzed the armed forces' efforts to strengthen and grow.

Since the revolutionary triumph, our armed forces have gained above all in experience. They have improved their organization and have increased their knowledge of military doctrine and military tactics and, in particular, our armed forces have managed to improve our main weapon, our main source of strength, which is our revolutionary spirit, conviction, determination to defend our revolution, to the death if necessary, and to loyally obey at all times, no matter how difficult this may seem, the instructions of the vanguard of our process, the FSLN National Directorate.

This process of the strengthening and growth of the armed forces, reflected in the EPS, has not been the result of the efforts of just a few. It is the product of everyone's effort. It has been the work of our troops, our soldiers, most of whom are of humble origin; the groups that in the past were sidelined, oppressed, exploited or attacked by the exploiters; the Somozists; the traitorous bourgeoisie; the landowners; the simple peasants, the urban workers; the laborers; and the artisans.

These troops have operated under difficult conditions at all times. In the first months they did not have adequate supplies and they went hungry. Those who were in the mountainous areas on the border experienced inclement weather, rain, mosquitoes and mudholes. Communications were lacking, and this prevented the timely receipt of supplies like food and newspapers. These companeros, the army troops, have been the main moral element that the chiefs of the general staff and of other sections have emulated, responding to their sacrifice by satisfying all the needs of these troops, which are definitely the basic strength of our army.

At the same time that we have developed our battalions, our sections of the military [word indistinct] and the large and small units of the different branches of the army, we have also had an incredible increase in the participation of our laborers, peasants, workers, students, professionals and intellectuals in the establishment, structuring and reinforcing the reserve battalions.

Our reserve battalions, along with the rest of our great army, constitute the central force that moves the entire people for the armed defense of the revolution. While noting the strengthening of the reserve battalions, which has required intensive efforts by the general staff, the sections in charge of this task and the officers assigned to this difficult, complex and permanent task, it is necessary to emphasize the increased enthusiasm that has been maintained regarding the strengthening of the Sandinist People's Militias [MPS], both in the countryside and in the cities.

These militias have allowed the rest of the society, particularly the workers, to join in defense activities in an organized manner.

It must also be stressed that in the development of the EPS, the reserve battalions and the MPS, in addition to the continuous pressure to implement the plans received from the FSLN National Directorate, we have received very conscientious, timely and fraternal support from the institutions that the junta of the government of national reconstruction have assigned to complement the efforts to defend the fatherland.

Whenever we have called on the companero ministers for their cooperation in fulfilling the plans for national defense, we have always encountered enthusiasm and belief in the task and have received an exemplary human and revolutionary contribution from those companeros. Thus, they have also contributed to the strengthening and growth of our armed forces.

We have to emphasize this, just as we must emphasize that in order to strengthen and guarantee the revolutionary quality and the purity of our ranks and the incorporation of the masses into the militias and the reserves, a vitally important strategic role has been played by the Sandinist mass organizations, coordinated and directed by the FSLN National Secretariat guerrilla commanders to whom the National Directorate have entrusted work among the masses, the professional party work of the FSLN. We have been able to satisfactorily meet our goals of incorporating and motivating our working masses.

It is true that in the coming months those goals will be (?reviewed). But we can say that (?despite) the difficulties that we have all encountered in the various areas of work, the companeros of the secretariat, the companeros of the mass organizations who have other duties in the areas of production, administration, partisan work, propaganda and other diverse tasks, also did everything possible to fulfill the tasks required for defense.

We must also note the increasing cooperation that the EPS, the defense ministry, the general staff and workers and children have given to the interior ministry. The interior ministry, in turn, has also made great strides and is growing and getting stronger. Everyone has noticed that the Sandinist police, for example, in these last few months has demonstrated vigor and internal strength in its [words indistinct] capacity and in the fulfillment of its public duties.

Similarly, state security, in coordination with the EPS, has been able to strike harsh blows at the counterrevolution, at the enemies of revolution, whether against armed action or against economic or political sabotage, or any kind of counterrevolutionary action. State security has been an indispensable and vital instrument with which to strike a blow in the main direction [words indistinct].

We have also strengthened the coordination between the Defense and Interior Ministries, which will make it possible for strikes against our enemy to be more crushing than they have been so far. At the same time, in the next few months we hope to be able to carry out the various types of work that will permit us to (?carry out) what is known as civil defense at the level of the entire state and at the level of the various social and national sectors that have to participate in this important task.

Civil defense is linked to the work of the militias and we have to [word indistinct] this because it is important to structure this. Not only is it important at the time of an armed confrontation--in order to carry out different activities to protect the elderly and children, to clean up the rubble left by (?bombing) and fires, and so forth and to give attention to the civilian population [words indistinct]--but it is also important in times of disaster, for example, in the event of a large-scale fire, an invasion, serious earthquakes or accidents.

This is an effort upon which our government junta has embarked and, with the help of the ministries, will be carried out very satisfactorily by the defense committee assigned to carry out this plan.

We have been taking action in the area of defense. We have been strengthening our line of defense. The National Directorate insists on strengthening defense. Our enemies, the transnational companies and the domestic counterrevolutionary companies of the corrupt press are trying to confuse our people with regard to preparations for defense. We have said that some members of the media here in Nicaragua who are not revolutionary, although they deny it, are part of the propaganda and diversionary machinery of the imperialist transnationals.

For example, the gentlemen of LA PRENSA behave like an ideological branch of the interests and maneuvers of the enemies of the revolution. Although they argue that their capital is of local origin, their [word indistinct] is not local and their mentality and political interests have an imperialist (?overtone).

Our enemy is trying to confuse our masses concerning the tasks of defense. This must be clearly stated. The revolution must pay a high social cost to strengthen its defense. That must be clear. Why should we develop riches, develop and mechanize our agriculture or reactivate the factories that were destroyed or which had their capital drained if there could come a time in which our enemy, the murderous Somozists or the bourgeois and imperialist counterrevolutionaries, could come to Nicaragua and take away our factories, crops, lands and revolutionary power? Why should our laborers and peasants sweat and give up many hours of rest to reactivate production if the imperialists and the counterrevolutionaries could easily come into the country and wrest from us the product of that effort, that sweat? [Words indistinct] we cannot have great wealth or great demands within a short time. Therefore, for the short term, we have to achieve the political and normal strengthening of the people and their revolution.

However, with regard to the wealth produced by the factories or as the result of the various exports, taking into account the world economic crisis--for example, the decline in the prices of coffee--it is difficult to say that in the short term our revolution will solve a number of economic and social problems, that the dictatorship was unable to solve in over 40 years [words indistinct] and which now the traitorous bourgeoisie and the reactionary sectors, which express their thoughts through the reactionary radio and press media in Nicaragua, try to attribute to errors of government and incompetence in the National Directorate.

We believe that the very deep problems being faced by this revolution are basically the result of the imperialist, Somozist and bourgeois forms of exploitation and oppression that existed in the past and that will only be solved through a lengthy, deep process of much sacrifice, work and effort. The economic blockade; cuts of aid to the area, like the wheat embargo by the Yankee imperialists, for example; the boycotts of our efforts; [words indistinct] by the enemies of the revolution. We have to be prepared for an oil embargo or an embargo on everything by our enemy at a certain time. Perhaps we may have to turn candles or bonfires (?or other such things) to carry out the reconstruction, if we want to carry out the reconstruction of the fatherland by honorable paths--by the path of dignity, by the path of revolutionary positions and by the path of firmly deciding never to kneel in the face of any difficulty that the Yankee imperialists try to place in our way. [applause]

Our people and our armed forces, the armed nucleus of the working class, more than any other sector of society, must clearly understand the difficulties that this process faces. Our armed forces, our soldiers, officers and NCO's, and our civilian workers must never doubt the revolutionary content of this process. They must have a deep revolutionary conviction and loyalty toward the historical vanguard, the FSLN, in order to withstand all the maneuvers that the imperialists carry out against us.

Even the imperialists and some of the reactionary bourgeoisie who do not agree with this process--the businessmen who do not wish to participate in the reactivation effort, the reactionary businessmen who try to confuse those businessmen who do want to participate in the plans for national reconstruction--at times have little parties and invite some officers or members of the armed forces to confuse them by praising them. However, no praise and no maneuver can really work against our armed forces if there is really a true revolutionary conviction. That is why we say that if for some reason or another there is a member of our armed forces who still does not have a completely clear idea, who does not really understand that it is necessary to defend this revolution regardless of any adverse circumstances and that it is necessary to be loyal to the national directorate without asking for (?explanations) at difficult times, it is better that he leave in due time.

A revolution that does not have men who are loyal to their commanders, loyal to their leaders, a revolution whose armed forces do not have men with firm, clear ideas of problems, men who instead of being confused by reactionary forces clarify things for those members of the masses that might be confused, cannot be in the army. [sentence as heard]

We have stated on many occasions that officers and soldiers find problems when they go home on leave. There is discontent because the problems of this revolution are the product of the former situation, but there are also a number of deficiencies that we could resolve and that we have so far failed to resolve. Therefore, it is necessary to talk with the people and to explain constructively that these problems will be resolved.

However, if we go home to our companera, our girlfriend or our friend and they begin to tell us their problems--that the buses do not run here, that the streets here are not repaired, that more schools are needed, that things are not run properly--and if we are unable to explain to the people that at times even if we have the money, a hospital cannot appear overnight but must be built... [does not complete sentence] Sometimes it requires years of construction. Equipment has to be brought--and perhaps there are no spare parts for this equipment and perhaps there are no dollars to purchase this equipment--and we have to wait. Things must be explained to the people. The people understand when things are explained to them.

Of course, if there are deficiencies that reflect a lack of responsibility by some officials, it is logical that our people should become indignant and it is only fair that our people should complain. We members of the armed forces must clarify ideas for our people in our neighborhoods. However, if our ideas are not clear, if we are not prepared ideologically, if we are not prepared militarily, if we are not prepared in a revolutionary manner, in a truly serious manner, we will not behave like a member of the Sandinist Military Forces. There are even some, who, because of their social attitudes in their neighborhoods, do not live up to their status as members of the EPS. At times they do not represent the social (?attitudes) of our people. There are a few who are not careful and really do not act like representatives of the olive-drab uniform that the revolution has given them the opportunity to wear.

Therefore, one of the very important tasks of defense at this time is for the soldier, the member of the armed forces, to be an element who transmits confidence and clarity of ideas to the rest of society, to the rest of the people. Instead of taking problems to his garrison, instead of taking problems to his unit, he should be a companero who conveys confidence and takes explanations to the masses. If this is not the case, if the soldier who is politically and ideologically (?unprepared) returns to the garrison, he begins to sow diversionism because he does not understand the problems being faced by the rest of society. That is why one of the most important tasks of defense at this time is the ideological and political strengthening of our soldier, our officer, our commanders, so that we can counteract the daily battle being waged by the imperialists and the reactionaries in the ideological and political spheres.

In the political sphere, it is necessary to be familiar with the problems being faced by the revolution, the problems of reactivation, the problems of production, to explain to the people why the factories are not operating at this time and for the people to understand that there are reasons for them being closed.

Therefore, we must seek to have greater control over the political, economic and social situation that the revolution is experiencing in order to explain the dynamics of our revolution to the people. We must strengthen even further our ideological conviction through the study of the experience of Sandinism expressed by Carlos Fonseca and through the revolutionary experience of other peoples that have achieved their final liberation. We must also strengthen the doctrinaire, ideological instrument that will allow us to better guide ourselves in the political dynamics that we are experiencing. That is one of the great tasks of defense that our EPS will have to carry out in the coming weeks, in the coming days, in the coming months.

In other words, one should not believe that defense consists only of using weapons, cannons, tanks, airplanes, antiaircraft guns or mortar fire against an attacking army. No. That is only one part of the continuous defense of the revolution. The more difficult defense and battle takes place daily. It consists of counteracting the subtle diversionary effort being carried out by the enemies of the revolution in our society. It consists of having a true revolutionary moral fiber to withstand the difficulties and the sacrifices demanded by the process of the armed strengthening of our revolution, of giving up whatever holidays or Sundays are necessary to carry out our tasks.

This does not mean that the armed forces will have no time to rest. I believe that rest is necessary and is a part of work. However, if it is necessary to not grant some time off, it has to be done. One must be aware of this, have this conviction and do it with enthusiasm.

Our revolution is facing serious danger. We can see how the imperialists are maneuvering and every day are making financial and commercial relations with them more difficult. We can see how they are trying to deprive us of support and to confuse progressive governments of this area, of Europe and of the world which so far have maintained mature, objective relations of mutual respect with our revolution.

They are trying to build up anticommunist hysteria in order to hinder the generous assistance given by our brothers of the socialist camp to this revolution as is the case of the companeros of the USSR and of the GDR who generously gave us wheat when the Yankee imperialists were withholding it from us. [applause]

Our enemy is trying to confuse all the progressive forces and our friendly progressive governments to deprive the revolution of foreign support and thereby to drown it. Our enemy has accumulated a great deal of information in these 2 years of revolution because that is how our enemy operates. It has its embassy, and at times it is very difficult to detect all its activities. Our enemy will never be willing to allow Sandinist power to continue to develop, be strengthened and grow here in Nicaragua. Therefore, because of the reactionary, warmongering, programs and adventurist essence of our enemy abroad and his traitorous servants here in the country, this revolution will be permanently subject to political blackmail, diplomatic, commercial and financial pressure, economic sabotage and ultimately, to military aggression.

The enemy is preparing different internal and external conditions to justify a military aggression [words indistinct] that will allow it to smash the Sandinist power and to retake the reactionary power. The enemy is working abroad in order to do this. It is confusing friendly countries and is involved in maneuvers--for example, territorial conflicts like the case of our sovereignty over the Roncador and Quita Sueno cays, in which the warmongers of imperialism are now increasingly working so that they can be snatched away from us by Colombia.

These are maneuvers sought by imperialism to create problems for the revolution. Our revolution continues to be mature and flexible, but without ceasing to be firm. We have shown sincerity in maintaining relations of mutual respect with a number of countries in the area that do not agree with our revolution--the case of Honduras, for example. However, we cannot entrust the fate of the revolution only to the handling of political and diplomatic affairs, as all this may fail.

We were just [words indistinct] our revolution decided, together with the government junta and the judicial branch, to release the two Honduran spies who were captured at the border a few days ago. This was done as a sign of understanding, to seek relations of mutual respect with other neighboring countries [word indistinct] Honduras. And what happened? According to press dispatches, these individuals have already begun to talk nonsense. But this is secondary. The important thing is that the reactionary press of Honduras is using this to harm the revolution. Therefore, we cannot entrust the fate of our people and our revolutionary power only to the diplomatic and political handling of the revolution. For this reason, the armed forces have one of the most serious and vital responsibilities of the revolution. It is a commitment to the thousands of dead brothers who shed their blood in the past and a commitment to the thousands of Nicaraguans who are presently making sacrifices to build the future. The armed forces have the ultimate responsibility of defending the banners of the revolution, the revolutionary principles, the nation's pride and dignity and the fatherland. Our armed forces can never fail. [applause]

Why do the imperialists want to crush our revolution? They want to crush our revolution because our revolution, by merely strengthening itself and growing, emanates such revolutionary warmth and such revolutionary-Sandinist zeal that its sole presence and existence is the best contribution to the revolutionary cause of the other fraternal peoples in Latin America who are struggling for their final liberation. [applause]

Our revolution is internationalist to the extent that it consolidates its own revolutionary process.

In conclusion, we wanted to tell our armed forces, our working people and especially the fighters of the various war fronts that were formed in the last few years of the final offensive--the war fronts of the urban and rural areas, like the western front, the internal front, the northern front, the eastern front, the southern front and the northeastern front--the women who fought in these fronts; the combatants who have continued to be exemplary combatants in the tasks of the revolution after the victory; the combatants who joined the armed forces; and the combatants who are involved in production tasks, Sandinist professional party tasks [as heard], mass organization tasks, government tasks and tasks abroad: in sum, all the combatants who are working in the various areas of the revolution and who are the best combatants--that we are going to promote the formation of new guerrilla columns to reinforce the Ezequiel Brigade so that it can go for several months into the mountainous areas in northern Nicaragua, particularly the border areas where there are currently several [counterrevolutionary] bands. We can already talk of dozens of counterrevolutionaries in several more or less large bands which are getting support from abroad and which are frightening our peasants and sabotaging production in that area. They have murdered peasants and children. They have burned our peasants' huts and are exerting strong pressure on part of our territory. This will be done in an orderly fashion, contacting, in the first place, the combatants of the war through the pertinent channels. Our revolution must organize various activities in an orderly and disciplined fashion in order to definitely crush these counterrevolutionary bands in a short time and expell them from our country. [applause]

We are going to strengthen the activities of the Ezequiel Brigade, which is currently working in the border area, but now it will have (?a new) column of experienced fighters from the war, fighters of [word indistinct] and work. [Words indistinct] be true representatives of our people and the Sandinist Front in order to form this column and our enemies with courage and bravery.

However, the task of defense is not only there. It is everywhere. The rest of the army and the armed forces can truly contribute to the tasks that they already have by redoubling the vigilance of the military units and the weapons stores and taking care of the trucks, which cost dollars, (?power) and blood. In sum, if we do not carry out the other tasks of the armed forces we will not be able to guarantee our support for this activity against [words indistinct] this guerrilla column.

In addition, let us not expect the blow only in this case. Let us not think that the activity will be limited to the armed counterrevolutionary bands there. Instead, the enemy is looking for commandos to sabotage production and the units [as heard] and to eliminate or murder revolutionary, government or armed forces leaders. The CIA has been working on this and has mercenary and adventurous elements. A few days ago, I read a magazine which said that a dispatch had reported that five Cuban counterrevolutionaries who were trained in Miami arrived in Cuba with a plan to kill Commander Fidel Castro. However, in Cuba the people's vigilance is very good and they are already in jail. I am sure some of them were already executed. These people have to be executed. [applause]

Then, our enemies can't [word indistinct] and much less act here in [word indistinct] with commandos and other activities. In addition, one must not (?forget) that all these bands there, although they are a nuisance, must be completely crushed, dismantled and exterminated. Although they are a nuisance, they are not the greatest danger. The greatest danger lies in the fact that these bands of imperialism, the sabotage [words indistinct] and the [words indistinct] of the propaganda here and abroad are being used to launch certain reactionary governments into a military adventure against our country. So, the organizational capacity of the army will be the only one that will save the revolution and crush these forces as large as they may seem. [applause]

Therefore, it is necessary for us to redouble the security measures, the revolutionary morale and the fulfillment of our tasks. Let us reaffirm to our people, with our daily and constant activity, our firm pledge to defend the revolution until the final consequences and also, with this announcement of strengthening the columns of the Ezequiel Brigade, we must insist that this must be done in an organized and disciplined way through the corresponding channels. And those companeros who did not have the opportunity to fight with weapons in the past and who are interested in joining this column can say so in writing to their corresponding command or organization and wait with discipline for the decision accepting or rejecting them.

We must be disciplined in order to carry out the internal and external tasks of the revolution. [words indistinct]

We are going to give a chance to participate in this guerrilla column not only to the experienced fighters of the past but to the workers, the soldiers, the members of the armed forces, the party members who, with their current behavior, deserve to hold a rifle against these counterrevolutionaries. [applause]

We want to be, above all, disciplined. An army or people without discipline cannot wage a revolution. It only ends up in disaster, anarchy and failure.

Therefore, since we have to fight these gangs with these ideas we think that we will be satisfying the pure and revolutionary wishes of many Nicaraguans who want to take up rifles to defend us against these enemies of the revolution. So the way in which we will form this column will [words indistinct] because we will [words indistinct] columns. We will organize the columns [words indistinct] and according to an established plan, they will all pass through this military and revolutionary experience.

In addition, do not forget that we have a very long border here in Nicaragua and that there are thousands of guardsmen. So although it is true that these efforts are aimed at eliminating these bandits, this does not mean that this will be done easily and soon because there will always be activity at the border as long as the guardsmen are there with the support of certain reactionary sectors of that [referring to the Honduran] government.

Then, there will always be a chance to participate in this type of fighting activity. Consequently, we are sure that our people, our militants, our soldiers will know how to be disciplined and to keep up their morale and will remain loyal to the revolution, the National Directorate and their commands. And today, more than at any other time, our soldiers are accompanying the shout "free fatherland or death" with the daily sacrifice and sweat they shed in complying with the permanent defense of our revolution.

Long live Julio Bruitrago! Long live Jose Benito Escobar! Long live the heroes of [name indistinct] in the urban resistance!

Long live Carlos Fonseca! [Crowd shouts: "Viva!"]

Free fatherland [crowd shouts: "Or death!"]

CORDOVA PROTESTS U.S. STAND ON DISPUTED LANDS

PA161921 Managua Radio Sandino in Spanish 1200 GMT 16 Jul 81

[Excerpts] Rafael Cordova Rivas, member of the government junta, said yesterday that all of us must unite to defend our territorial integrity, our nationality and the revolution's gains.

Cordova spoke on behalf of the junta at the solemn session of the State Council named for Commanders Julio Buitrago and Jose Benito Escobar. The session was held in the heroic city of Esteli. Cordova asked the State Council to send a strong protest note to the U.S. Senate to demand the nonratification of the proposal which would grant Colombia sovereignty over the Quitasueno and Roncador cays and the archipelago of San Andres and Providencia.

Let us listen to Cordova's remarks at the solemn session of the State Council:

[Begin recording] We must all go to the Plaza [of the Revolution] to show that we are united as a single arm to defend our sovereignty, to defend our nationality, to defend our historical destiny and our [right to] self-determination as a free people.

Today, after a U.S. Senate committee approved a shameful motion dealing with Colombia's and Nicaragua's sovereignty without consulting us, we came here, united, to protest and to say that no regime has the right to dictate the limits of our sovereignty and territory. [applause] [end recording]

WHEELOCK SAYS COUNTRY ACQUIRED SOVIET TANKS

PA170300 Paris AFP in Spanish 0002 GMT 17 Jul 81

[Text] Los Angeles, 16 Jul (AFP)--Jaime Wheelock, one of the nine members of the National Directorate of the Sandinist National Liberation Front [FSLN], has told the Los Angeles TIMES that Nicaragua acquired Soviet-made tanks.

In a report from Managua, the paper states that in talking with its correspondent Juan Vazquez, the Sandinist leader explained that the tanks were purchaded in response to "the danger of invasion represented by the U.S. policy of supplying arms to Central America."

The Sandinist Junta "thus felt obliged to arm itself, for which reason we requested aid from friendly countries," Wheelock told the Los Angeles TIMES.

It is noted that this is the first time a high-ranking Nicaraguan leader has confirmed charges made last month by the U.S. State Department, which described the possible introduction of Soviet tanks into Nicaragua as a threat to the stability of the region.

In the interview, Wheelock refused to state precisely what type of tanks were involved, saying: "Let the State Department imagine it, as far as the number is concerned, no one should be worried, except those who might be interested in invading us."

According to the California paper, a Western diplomat indicated that the tanks are Soviet model T-55 tanks and added that the USSR has also provided Nicaragua with armored personnel carriers.

The source cited by the paper declined to give the number of vehicles provided.

To observers, Wheelock's statements reflect the tension and anxiety prevailing in Central America, which are aggravated by the conflict in El Salvador and the outbreak of armed clashes on the border between Honduras and Nicaragua.

According to the Sandinist government, Somozist forces are operating on the Nicaraguan border from Honduran territory.

SOVIET AMBASSADOR SALUTES SECOND ANNIVERSARY

PA161655 Managua Radio Sandino in Spanish 1200 GMT 16 Jul 81

[Text] The Soviet ambassador has saluted the second anniversary of the revolution. The Soviet community in this country admires the advances made in the economic, political and social fields by this brave people led by its vanguard, the Sandinist National Liberation Front, said Ambassador German Shlyapnikov. He added that our solidarity with Nicaragua is shown through deeds and not through propaganda for publicity purposes.

We cooperate in fields in which the social progress of peoples can be fostered. A case in point was the time when imperialism tried to blackmail the Nicaraguan people through food and we donated 20,000 tons of wheat for the sake of cooperation, thus outwitting the gringo aggressors, the ambassador said. The donation of 3 million doses of vaccine to immunize Nicaraguan children against contagious diseases was a contribution we made from our own resources to this glorious Sandinist people, the ambassador added.

FRANCE'S CHEYSSON UNABLE TO ATTEND 19 JULY EVENTS

PA170047 Managua Radio Corporacion in Spanish 2300 GMT 16 Jul 81

[Alejandro Cordolero report]

[Text] Because of his many duties, French Foreign Minister Claude Cheysson will not be present at the celebration of the second anniversary of the triumph of the Nicaraguan revolution. This announcement was made by the Information Office of the Foreign Ministry to a Radio Corporacion newsman.

The French delegation expected tomorrow will be headed by a high-ranking official of the French Foreign Ministry. In addition, it was learned that the delegation from Paris will be accompanied by Alejandro Serrano Caldera, Nicaraguan ambassador to France.

It was confirmed that Foreign Minister Claude Cheysson will not be able to visit until 3 August.

NEW AGRARIAN REFORM LAW TO BE ANNOUNCED 19 JULY

PA161933 Paris AFP in Spanish 2115 GMT 15 Jul 81

[Text] Managua, 15 Jul (AFP)--Deputy Agriculture Minister Mayorga today announced some aspects of a new project that he said has been carefully studied and will benefit rural workers who for centuries have been exploited by landowners.

Mayorga says that there will be a new law to encourage production and offer guarantees to all persons efficiently working the land. This law, however, will affect large landowners whose lands either are not being used or are not being put to sufficient use.

The reform, he said, will benefit peasants and small and medium-sized producers who historically have been denied access to the land and exploited with various lease systems.

Mayorga said that the law will permit the promotion of peasant cooperatives. The state already has many cooperatives functioning as result of initial agrarian reform efforts. Mayorga concluded by stating that the law respects national unity, which it seeks to enhance since, according to farm leaders, the ownership of most of the land will not change.

Meanwhile, Commander Jaime Wheelock, agriculture minister, has announced that housing will be increased to support cotton planting and to encourage production. The revolutionary government's economic reactivation plan called for the planting of 150,000 hectares in 1981. Private cotton producers, however, have said that authorization was given for the planting of only [illegible],000 hectares. The cotton growers have said they have faced difficulties in planting cotton--of vital importance for the country's economy--because of poor housing and the threat that their lands may be invaded.

Wheelock said that there is a minority interested in provoking setbacks in cotton planting but he expects the sector to respond positively. The minister added that the planting of 123,000 [word indistinct] has been assured already and that he expects that that in the next few days, the new goal of 135,000 manzanas established by the government will be reached. He said the initial goal of 150,000 mectares cannot be reached because to achieve this, unsuitable land would have to be used, something that would be a waste of funds.

Wheelock said the country has returned to the milk, chicken and egg production level it had achieved before 1978, when the political crisis began and the country entered the final phase of the war against the Somoza dictatorship.

The minister said that during a 6-month period that concluded in June, the country produced more than 6 million gallons of milk, a 10 percent increase over the milk production obtained in 1978 during the same period of time.

'FACE THE PEOPLE': CAPITAL, LABOR LAWS, PORTS

PA151620 Managua Sistema Sandinista Television Network in Spanish 0030 GMT 14 Jul 81

["Edited" rebroadcast of "Face the People" program held 12 July at the Santo Domingo Secondary School Auditorium, in the city of Rivas, with Sergio Ramirez Mercado, member of the junta of the Government of National Reconstruction--recorded]

[Excerpts] [Question] On behalf of the slaughterhouse workers, I wish to ask two questions and also to convey their cordial salute now that we are getting ready to celebrate the second anniversary of the revolution.

The first question is, why hasn't the labor law been totally amended? Yes, some amendments have been made to the law, but still we see the turncoat bourgeoisie applying it to persecute our brother workers and to put them on the street. We demand that the labor law be totally amended in the best interest of the workers.

Our next question: Why does the revolutionary government have to wait until it is too late to intervene in enterprises whose capital has been virtually depleted, and when only the carcass is left of those enterprises--after selling their machinery, spare parts and transport equipment have been sold? We suggest that the government take immediate action when a company's capital is being depleted. That is all, thanks. [applause]

[Answer] I will try to answer the companero's questions as one. But first, we have to take into consideration a very important fact which has grown up in Nicaragua over the first 2 years of the revolutionary process. From the beginning, we talked of a mixed economy for the country. Whenever we discussed the matter, the revolutionary and the people had one idea, but some businessmen had another. They have developed their own idea of a mixed economy and of private enterprise, but they have never followed the indications given by the revolution concerning the mixed economy system.

From the beginning we were very explicit when we said that we were going to establish the mixed economy system here. What did we mean by this? That the people had gained the right to expropriate a series of assets from the Somoza family, from their accomplices and acolytes. This also meant that the people had gained the fundamental right to manage the country's economy in a strategic way so as to create a program that would bring deeper changes in the country. Private enterprise's participation in this mixed economy would give businessmen the guarantee to work and produce according to the revolution's plans, and not to reverse the revolution's plans or restore at any moment the backward capitalist system we had during the Somozist dictatorship.

So, what have these 2 years meant? A constant political struggle by the revolution on behalf of its plans, to gain respect for those plans under various conditions, and to persuade some capitalists to understand what the revolution is trying to do. Some have, but unfortunately not the majority--from whom we have received only incomprehension and sabotage of production and the economy. They resort to the same arguments: that they have no confidence in the government, that the government doesn't give them any assurance that the country is not moving toward a totalitarian state; and that the government is trying to destroy private enterprise.

What have we decided? We are not going to allow them to blackmail us with the arguments about lack of confidence, political plans or "what are they going to say abroad?" The revolution is going to revise the law on capital depletion and decide if it is good or not. We must honestly admit that the law on capital depletion has never been applied, as a result of their political game to keep things running as they please. Well, we are going to amend the law. A regulation is going to be issued so that it can be applied, so that those guilty of violating the law on capital depletion can be punished.

But we can't go to the extreme of saying that all businessmen are decapitalizing their businesses. Apart from being untrue, this would be dangerous propaganda for the country's production. It will be up to the workers, with a well-drafted law, to determine when there is a real case of capital depletion, because we have to be very specific in this respect. We are not interested in interfering with the production of an enterprise which is really producing, which isn't taking dollars out of the country, which is giving employment and which is loyal to the revolutionary process. We have that type of enterprise. Of course, not all of them--that would be ideal, but there are enterprises which are depleting the business' capital.

We took our time to make amendments to the labor law so that no one could say that we were threatening businessmen by giving the workers unconditional job stability rights. On 1 May, we announced an important amendment to the labor law, which says that when a worker is going to be dismissed from a company, he has the right to appeal to a labor judge who will rule whether his dismissal is legal.

It is up to the judge to decide that if there is no legal basis for the worker to be dismissed, he should be immediately reinstated in his job. This was not the case before. According to the law as it used to be, the boss could give the worker 30 days' notice just because he felt like it, or just because he rubbed him the wrong way, and that was it. The worker would be without a job in 30 days and the workers could not appeal, because this was an absolute privilege of the boss granted by the former labor law. It isn't that way anymore. Now the worker has the right to appeal if he is dismissed, and if the labor judge decides that there is no legal basis for his dismissal, the worker has to be reinstated to his job. This is the first of a series of amendments to the labor law, which we must honestly admit is the same labor law that existed during the Somozist dictatorship. Therefore, this labor law has to be changed, just like the country has changed. [applause]

[Question] I speak on behalf of 400 longshoremen from this port. I have three questions: First, why has the port of San Juan del Sur been largely deprived of the largest source of employment, the handling of export and import cargo, an activity that had been the source of income for 420 longshoremen? My second question: Why hasn't the State Council listened to our demands to have a cargo rationalization law passed? The third question: We know that a budget for remodeling and expanding docks in San Juan del Sur was approved, but we believe that it was cancelled because mixers and other equipment have been removed. We know that there is a 14 million cordoba budget for San Juan del Sur, but the deterioration of the docks continues. Thank you. [applause]

[Answer] The question by the companeros of San Juan del Sur deserves an overall reply from the view of the central government. You know that Somozism placed all its effort in modernizing just one port--the port of Corinto. If the companero portworkers of San Juan del Sur compare the facilities of this port with those of the port of Corinto, you will find a big difference. For instance, a container terminal was built in Corinto during Somozism, the only one in the country. It also has a hopper system to unload basic grains, and other facilities which Somozism never cared to establish in other ports because it did not have a balanced development policy for the country.

Not to mention what used to be Puerto Somoza, and which is now Puerto Sandino, which is not a port or anything like it. It was a mere whim of Somozism to make a port in a place which did not have the natural characteristics of a port. Now we are putting up with the problem of hundreds of companeros who at this moment have no opportunity to work.

Through the National Ports Institute we have submitted a program of repairs and of improving facilities not only in San Juan del Sur, but in other ports, including those in the Atlantic coast, the port of (?Arlenchu). Puerto Isabel in Prinzapolka, and Puerto Cabezas, which is totally neglected. We tried to obtain a loan from the National Bank, which could not be obtained because it was not properly presented.

At this moment we are obtaining financing from abroad to go ahead with a program to improve port facilities which includes San Juan del Sur. Now, regarding San Juan del Sur, we do not think that we are going to solve its problems just by increasing port facilities. In San Juan del Sur we have to promote other economic activities. We are even studying a proposal to establish a shipyard in San Juan del Sur to repair the fishing fleet of a big and strong country which can pay us a large amount in dollars for repairing its fishing fleet in the Pacific. We are studying this proposal and we are considering the San Juan del Sur could be an adequate place to build this drydock for the repair of fishing boats.

There are other activities which have to be reactivated in San Juan del Sur. We just cannot concentrate on the cargo business. There are two specific issues: First, the program to broaden the pier will be carried out as soon as we obtain the funds; and regarding the cargo business, this depends on the facilities of the port. If it does not have the facilities, the handling of cargo is much more expensive and no longer beneficial to the economic interests of the country. First we have to solve the problem of improving the pier's facilities and afterwards we can think about the cargo business. [applause]

[Question] Good afternoon, companeros of the revolutionary government. My name is Gloria Marin. I am responsible in the department for the Luisa Amanda Espinoza Women's Association. Since the victory of our revolution, we have witnessed day after day the reactionary attitude of the newspaper LA PRENSA. Our community has received with real joy the report on its closure for 2 days, because at last we have seen that it has been dealt with by a strong hand for the campaign of ideological divisionism and confusion carried out against our people. On behalf of all the organized women in Rivas Department, we ask the revolutionary government to take the necessary steps to close the newspaper LA PRENSA and put an end once and for all [applause and shouts] to the campaign to confuse the people which was unleashed by the newspaper of the reactionary sectors. Thanks. [shouts]

[Answer] We would like to explain the temporary closure of the newspaper LA PRENSA. Just as the companero said, we intervene in enterprises when they are completely bankrupt and the only thing left is the carcass--the same thing has occurred in the case of LA PRENSA, because we had never made the decision to implement the law on capital depletion, which is incomplete and that is why we are going to amend it. The same thing occurred with the communications media law issued in the first months of the revolution. On that occasion we called the newsmen of Nicaragua who had just organized the Union of Journalists of Nicaragua, UPN, and the junta of the Government of National Reconstruction asked them to draft a news media law for Nicaragua. I think this is the only country in the world which has called on newsmen to draft a news media law. The bill they submitted was approved with very minor changes.

We reformed the law because this law--like many other things that were naively established at the beginning of the revolution--established no punishment. This law simply said this and that can't be done by the newspapers, but did not say what the consequences would be if there was a violation of the law. Then we noticed that everybody began violating the law--not everybody, those who are not with the revolution violated the law as they pleased. So we reformed the law to establish punishment and the punishment is the suspension, for a determined period of time, of the news media committing violations. And we are applying the law.

What was the aim of LA PRENSA in the past few days? To promote a confrontation between the revolution and the Catholic Church, the revolution and the ecclesiastic hierarchy, and the revolution and the rank and file of the Catholic Church, and to show that there is no possibility of an understanding between the Church and the revolution. This is completely false, because one of the keystones of the revolution has been the participation of Christians in the struggle and in the development of the revolution that followed. They committed the stupidity of saying that what they call forces of darkness, the mobs--referring to mass organizations--had ordered the destruction of religious posters in the city of Managua.

We immediately gathered evidence that showed that the posters had been taken down by those who had put them up, and that LA PRENSA knew this very well because the religious lady who took down the posters is the sister of a man who is one of the brains who decides what LA PRENSA publishes against the revolution each day. He doesn't show himeslf. He plays innocent, but we know who is behind the schemes. We couldn't believe that LA PRENSA didn't know who removed the posters and that it innocently launched a frontal attack on the government, claiming that we were violating religious freedom, destroying religious posters and using violence against religion.

But we cannot tell the companera that we will definitely close LA PRENSA. We have freedom of expression here. The revolution has guaranteed this. This was a decision of the revolution. This is not a decision imposed on us by the Yankees or by the OAS or by any international force. No one came here to impose on us norms of press freedom, norms on the establishment of mixed enterprise, freedom of participation and mobilization guarantees for political forces not identified with the revolution.

But there is a limit, and the limit is clear: the survival of the revolution, the existence of the revolutionary process. The moment someone attacks the revolution to destroy it, to make it disappear, to make it go backwards, that's the moment when all liberties in this country cease. We must be very clear and very honest about this. There can be no freedom here to attack the revolutionary process to destroy it. Those who take the road of confrontation with the revolutionary process to destroy it or to push it backwards will find a firm revolution that will prevent such actions.

And if there are newspapers and radio stations that become involved in this type of attitude, they will be stopped by revolutionary laws that exist for that purpose. We can guarantee the Nicaraguan people that from now on the revolutionary laws will be strictly applied, without leniency. [applause]

BORGE, SOVIET AMBASSADOR ATTEND PHOTO EXHIBIT

PA170420 Managua Radio Sandino in Spanish 1800 GMT 16 Jul 81

[Text] The photo exhibit "After 20 years of Revolution" was inaugurated yesterday with a massive turnout.

The various stages of the struggle waged by the people and their vanguard up to the seizure of political power by the dispossessed masses are reflected in the photo exhibit which was inaugurated yesterday at the Eduardo Contreras Community Center.

The exhibit was opened by revolution Commander Tomas Borge and was attended by special guests from the diplomatic corps accredited to Nicaragua.

Companero German Shlyapnikov, Soviet ambassador to Nicaragua, said the following:

[Begin recording] In my opinion, this effort of the Sandinist National Liberation Front is important for the education of the people and to develop a more profound knowledge of the country's history and the revolutionary struggle. It should serve as inspiration to [passage indistinct]. [end recording]

BRIEFS

NEW ASSISTANT COMMANDERS--Two new assistant commanders were promoted at the third promotion ceremony of the armed forces at the Carlos Aguero Echeverria Military Academy. The new assistant commanders are Oscar Lanuza Salazar and Salvador Munoz Hernandez. [Managua Radio Corporacion Spanish 2300 GMT 15 Jul 81 PA]

STUDENTS IN CUBA--A second contingent of Nicaraguan scholarship students studying in Cuba has arrived in Managua, raising to 308 the number of these students who have returned from Cuba to attend the celebrations of the 2d anniversary of the victory of the revolution and 20th anniversary of the foundation of the Sandinist National Liberation Front. It has been reported that the students will return to Cuba in August to continue their technical and professional studies on the Isle of Youth. [Managua Radio Sandino in Spanish 1200 GMT 14 Jul 81 PA]

COMMENTARY ON 'AGGRESSIVE' REAGAN FOREIGN POLICY

PA161540 Havana International Service in Spanish 0000 GMT 16 Jul 81

[World events commentary]

[Text] Upon coming to the White House on 20 January, the present regime revealed that the core of its foreign policy would be the struggle against what they called international terrorism, which is nothing more than the use of all possible means to oppose national liberation movements throughout the world.

At the same time, the head of Yankee diplomacy, Alexander Haig, and his spokesman have repeatedly said that Washington will change its policy toward military regimes, because in countries where they exist, there have been advances in the field of human rights.

In this manner the United States has set aside the hypocritical policy of the previous administration which, during its 4 years in power, futilely tried to improve the damaged U.S. image abroad.

In its new policy the Republican administration has under the pretext of eliminating international terrorism, opened the road to supplying weapons and credits to the most reactionary and fascist regimes in the world and has increased its defense budget to the already astronomical figure of $142.7 billion.

As one can see, the Washington Government's aggressive foreign policy is based on positions of strength in various parts of the world. The wornout excuse of the Soviet threat is again brought into the limelight as justification for U.S. interference in the domestic affairs of other countries and even for a possible direct intervention.

Regarding South America, the present U.S. regime recently lifted the restrictions existing for the sale of weapons to countries like Chile, Argentina, Uruguay and Paraguay. At the same time the State Department has announced that in the future it will abstain from or vote favorably in international monetary organizations when they are dealing with the granting of credits to these countries. President Reagan has ordered his representatives in the World Bank and the International Development Bank, where the United States has a majority, to vote in favor of loans for almost $500 million for Chile, Paraguay, Uruguay and Argentina.

Regarding Central America, the United States has just announced that it will send more weapons and advisers to the Salvadoran military-Christian Democratic junta and intends to do the same with the bloody Guatemalan regime. The United States has also increased its military and economic assistance to Israel and Egypt so that they will continue to be the gendarmes in the Middle East and Africa. It has strengthened its links with the racist South African regime and rejects the South-West African Peoples Organization as the legitimate representative of Namibia.

This foreign policy is extremely dangerous to peace. This toying with war is very irresponsible, especially considering the fantastically destructive power existing today.

CASTRO SENDS NICARAGUA CONGRATULATORY MESSAGE

PA170253 Managua International Service in Spanish 0140 GMT 17 Jul 81

["Message of Solidarity" sent to Nicaragua by Cuban President Fidel Castro--read by Government Palace newswoman Rosa (Demora)]

[Text] Dear companero members of the junta of the Government of National Reconstruction of the Republic of Nicaragua:

On the second anniversary of the historical Sandinist victory, receive, dear companeros, our warm congratulations on the achievements you have attained in such a short period of time; despite the adverse conditions that you found in the country after a cruel and bloody tyranny of almost 50 years which submerged that fraternal country in political and economic chaos.

The future of hope and victory opened up by the revolution 2 years ago and the gigantic efforts of the heroic Nicaraguan people are becoming lasting triumphs in culture, education and the economy that inspire the respect, admiration and solidarity of the oppressed and exploited peoples of Latin America and the Caribbean.

Today, when the revolution is facing threats and aggression from U.S. imperialism and from the defeated Somozist hordes, we wish to express to you our sincere friendship and solidarity with the deep conviction that you will attain new and brilliant victories.

We observe with justified optimism the strengthening and consolidation of the Sandinist people's revolution, the revolutionary enthusiasm of the men and women who daily face up to the tasks of defense and production, making invincible the cause of national liberation and dignity for which over 50,000 of the best and most dedicated sons of the fatherland of Augusto Cesar Sandino and Carlos Fonseca Amador shed their generous blood.

Dear companeros, on the second anniversary of the true independence of that beloved country, we reiterate our determination to continue to extend to you our modest cooperation in the varied and difficult tasks that are before you.

Receive this message of respect and affection from all the Cuban people on the most unforgettable day of the lengthy and heroic revolutionary struggle of that fraternal nation, the day of the gaining of independence, freedom and full sovereignty.
Fraternally,
[Signed] Fidel Castro Ruz, president of the Councils of State and Ministers of the Republic of Cuba.

MALMIERCA ADDRESSES AMBASSADORS SERVING ABROAD

FL161203 Havana Domestic Service in Spanish 1000 GMT 16 Jul 81

[Text] Cuban Foreign Minister Isidoro Malmierca made the opening remarks at a seminar for ambassadors of our country's diplomatic missions abroad, which will hold working sessions at this capital's Palace of Conventions until 18 July. In his speech, Foreign Minister Malmierca outlined the work of the Foreign Ministry and examined the international situation.

Jesus Montane, alternate member of the PCC Politburo and general chief of the PCC Central Committee for foreign relations, chaired the opening session of the seminar during which Jesus Escandel, secretary for foreign relations of the Central Organization of Cuban Trade Unions, extensively referred to the 10th congress of the World Federation of Trade Unions, which will be held in Havana in 1982.

COSTA RICAN POLITICAL DELEGATION VISITS

PA170339 Havana International Service in Spanish 0000 GMT 17 Jul 81

[Text] A delegation of the United Peoples Coalition arrived in Cuba for a visit of several days. The delegation includes Alberto Salom, secretary general of the Costa Rican Socialist Party; Arnoldo Ferreto, member of the Political Committee of the Peoples Vanguard Party; and Jose Araya, assistant secretary general of the Peoples Revolutionary Movement.

DOMINICA

GOVERNMENT WILL NOT EXTEND STATE OF EMERGENCY

FL162154 Bridgetown CANA in English 2144 GMT 16 Jul 81

[Excerpts] Roseau, Dominica, 16 Jul (CANA)--The government does not intend to extend a state of emergency in Dominica after it expires at midnight tonight, Home Affairs Minister Brian Alleyne said today.

The state of emergency was introduced on 12 February, one day after armed men kidnapped and later killed well-known farmer Ted Honychurch. The state of emergency was extended four times following the discovery of a plot to topple the government.

Home Affairs Minister Brian Alleyne told CANA there were no plans to extend the state of emergency.

GRENADA

GOVERNMENT REPLIES TO JAMAICAN PAPER'S EDITORIALS

FL161515 Bridgetown CANA in English 1437 GMT 16 Jul 81

[Text] St Georges, Grenada, 16 Jul (CANA)--The Grenada Government today said that the GLEANER newspaper in Jamaica was part of a move aimed at isolating the spice island from the rest of the Caribbean. The prepared government statement came in response to critical GLEANER editorial opinion directed against policies being adopted here.

Prime Minister Maurice Bishop's administration has been accused of undemocratic actions in relation to its closure of a newspaper and its ban against foreign travel by local journalist Alister Hughes. The GLEANER has run a series of editorials recently on the Grenada situation, with one of them calling on Caribbean governments to take a stand.

The statement here said the government was not surprised by the newspaper's "campaign against the revolution." "The behaviour of the GLEANER at this time is predictable to the point of being mechanical. Having completed its assigned task of discrediting the Manley regime by journalistic methods more foul than fair, the GLEANER has now been slotted into position for what the CIA hopes will be the final assault on Grenada."

The statement claimed that the GLEANER was merely acting in accordance with a timetable that was becoming clearer to the people of the region. "The two complementary objectives of this timetable are: to isolate Grenada within the Caribbean and to psychologically prepare world opinion for military intervention in Grenada.

"In recent weeks more effort has been put into the task of isolating Grenada, because events in the region have taken the opposite direction. Caribbean governments have taken a principled stand against U.S. attempts to turn Grenada out into the cold. There is a greater sense of unity in the region today, coming out of a series of meetings of Caribbean policy-makers, an important one hosted by Grenada itself--the CARICOM foreign ministers conference.

"The GLEANER and other arms of the media in the Caribbean have therfore been deployed with greater urgency into the task of breaking up this unity before it can develop too far. The GLEANER must be reminded that it is in no position to truthfully analyze events in Grenada and that for as long as it consents to be a dispenser of foreign propaganda against a sister country, it cannot count upon the respect of principled Caribbean governments and citizens," the statement said.

ELECTIONS TO BE FACTOR IN FUTURE BRITISH AID

FL111856 Bridgetown CANA in English 1833 GMT 11 Jul 81

[Excerpt] Castries, St Lucia, 11 Jul (CANA)--The question of general elections in Grenada would be a decisive factor in determinig future British aid to the spice island, a British diplomat said here today. Mr Stanley Arthur, Barbados-based British high commissioner to the Eastern Caribbean has been talking about the Grenada situation while on a routine visit to St Lucia. He indicated that British officials have held private discussions with the government of Prime Minister Maurice Bishop about "the way they took power."

The People's Revolutionary Government (PRG) came to office through armed overthrow on 13 March 1979, of the government of Prime Minister Sir Eric Gairy.

"The question of free and fair elections which the Grenada Government was foremost in pressing others for in Zimbabwe will certainly be a factor which Britain will take into account in determining future aid to the island," Mr Arthur said. Otherwise, he added, relations between the two countries were almost normal.

Replying to journalists' questions, the diplomat said that Britain had not entered into any negotiations with the Grenada Government about future bilateral assistance. Mr Arthur said that Britain's attitude would be influenced by the human rights performance of the Grenada Government. "We have not said we will never do it. What we have said is that we are not for the present entering into negotiations for a new aid agreement. But we are not stopping our contributions for multilateral aid."

ST VINCENT

TWO OPPOSITION PARTIES SEEKING UNIFICATION

FL011830 Bridgetown CANA in English 1803 GMT 1 Jul 81

[Text] Kingstown, St Vincent, 1 Jul (CANA)--Two opposition policial parties in St Vincent have welcomed yesterday's call by the People's Political Party's leader (PPP) Clive Tannis for the unification of opposition forces to bring about what he referred to as "an alternative to the present administration of Prime Minister Milton Cato." The parties which have responded to the call are the United People's Movement (UPM) and the Working People's Party (WPP), Although they both favour unification, they cautioned that question.

According to UPM General Secretary Renwrick Rose, "in view of the current crumbling of the ruling administration that many feverish efforts are being made to patch together solutions and to present some kind of alternative, unity must be provided which is based on principle, a clear program designed to take the country out of its current mess." "Such unity," he indicated, "must put the country on a road which the working people will receive some serious and fundamental benefits from their labour."

General secretary of the official opposition WPP and now oppositon Senator Victory Cuffy sees the unification of oppositon parties as an alternative to government for promoting, in his words, "a deeper and more lasting and principled cause, that is, promoting the true interest of the people."

"We are prepared to work with other groups and parties which we feel are truly concerned at this point in time with promoting the people's interest," the barrister said. Cuffy charged that the people's interests "are sadly neglected by government." There are fears of being completely mismanaged by the Kingstown administration, Cuffy added.

ECUADOR

LABOR, OTHER MINISTERS TO RESIGN IN AUGUST

PA160338 Quito Voz de Los Andes in Spanish 1230 GMT 15 Jul 81

[Text] Aquiles Rigail Santiesteban, minister of labor and human resources, has ratified his decision to submit his resignation early in August just as other ministers will do. In a statement to the national press, Rigail said that according to talks with the government minister, they have agreed to submit their resignations early in August.

GOVERNMENT MINISTER TO ATTEND IRAQI CELEBRATIONS

PA131505 Quito Voz de los Andes in Spanish 1230 GMT 13 Jul 81

[Text] Government Minister Carlos Feraud will definitely leave tomorrow for Iraq to attend ceremonies marking Iraq's national day beginning on Thursday and ending on 20 July. The decision was confirmed after the Federation of Ecuadorean Drivers decided to call off an indefinite nationwide strike it had slated for today.

Feraud will head the Ecuadorean delegation to the Iraqi celebrations at the express order of President Oswaldo Hurtado. The Ecuadorean delegation will be received in Baghdad Thursday and return after the festivities. Government Under Secretary Francisco Gonzalez will be acting minister during Feraud's absence.

HUNGARIAN MISSION ENDS VISIT TO EXPAND TRADE

PA131525 Quito Voz de los Andes in Spanish 1230 GMT 13 Jul 81

[Text] The Hungarian mission which visited Ecuador last week, which was headed by Otto Herkner, commerce vice-president of that country [as heard; director of the Trade Department of the Hungarian Ministry of Metallurgy and Machine Industry], discussed with Ecuadorean authorities the likelihood of leveling and thereby increasing trade between the two countries.

Hungary is a substantial purchaser of Ecuadorean products, Herkner said. We will now explore the possibility of expanding Hungarian exports to Ecuador in order to level off our trade balance. He added that his country purchases cacao, bananas and coffee. Although Hungarian sales to Ecuador are very limited, Hungary can supply machinery and technology to develop the country in various fields, he stressed.

GUYANA

OFFICIAL RESPONDS TO NEW ZEALAND PREMIER ATTACK

FL151639 Bridgetown CANA in English 1633 GMT 15 Jul 81

[Text] Georgetown, Guyana, 15 Jul (CANA)--Disparaging remarks by New Zealand's Prime Minister Robert Muldoon last weekend against Grenada and Guyana over next week's controversial South African rugby tour have been described here as "international political tantrums." A government spokesman declared last night that the outburst would not weaken the resolve of "decent people" to help destroy apartheid.

Mr Muldoon's government is under strong attack from several Commonwealth states for refusing to stop the tour of the Springboks rugby team to New Zealand. Many of them are demanding a change of venue for the Commonwealth finance ministers conference which is scheduled to take place in Auckland next month.

Muldoon was quoted this week as saying that New Zealand had a much better human rights record than some of the countries which were denouncing it. He singled out Grenada and Guyana as two of the countries which were protesting the tour loudest but where political freedom was "virtually nonexistent."

"We can understand the prime minister's pique and his domestic political difficulties but he can rest assured that statements which reflect international political tantrums cannot solve the problems," the spokesman said. "They can neither resolve nor deny the reality of apartheid in southern Africa nor weaken the resolve of decent people to make a contribution to the destruction of this dangerous, racist and inhuman practice."

A week ago, Guyana's Foreign Minister Rashleigh Jackson told a news conference here that his country had been the one to take the initiative to mobilize Commonwealth Caribbean governments against the tour. He explained that on Guyana's suggestion, high commissioners in London from Caribbean nations had met to discuss the matter and recommend a course, and they had agreed with Guyana's proposal that if the tour was not cancelled then the governments should press for a change of venue for the finance ministers meeting.

PARAGUAY

POLICE RELEASE PLRA LEADER HORACIO FERNANDEZ

PY132347 Asuncion ULTIMA HORA in Spanish 13 Jul 81 p 7

[Text] Dr Horacio Fernandez Estigarribia, who was detained yesterday at police station No 11, was released at noon today.

The Authentic Radical Liberal Party [PLRA] leader had been detained due to a political meeting which the PLRA held in his house, which many persons attended. According to reports, the police had not been notified and no permission was requested to hold the meeting.

The sources added that any organization with legal status must fulfill the above-mentioned requirements so that the necessary security measures can be adopted to safeguard public order.

ACEVEDO ASSUMES LEADERSHIP OF FEBRERISTA PARTY

PY070207 Asuncion ABC COLOR in Spanish 3 Jul 81 p 10

[Excerpt] Thirty-one-year-old lawyer Euclides Acevedo last night assumed the presidency of the Febrerista Revolutionary Party National Executive Committee (CEN). The opposition leader informed the committee members of developments in Spain and other European countries during the 10 years he was out of the country.

SURINAME

ARMY CHIEF ADDRESSES COUNTRY'S DIPLOMATS

FL161604 Bridgetown CANA in English 1516 GMT 16 Jul 81

[Text] Paramaribo, Suriname, 16 Jul (CANA)--Suriname's military leader Lt Col Daysi Bouterse has told the country's diplomats that they have a special role to play in helping to shape the new South American socialist nation. He warned that there was no place for ceremonial ambassadors who only attended receptions, smoked fat cigars and sought to determine foreign policy by themselves. Their task was to execute "promptly and with imagination" the policy laid down by the administration.

Bouterse was addressing a conference of diplomatic personnel from Suriname's overseas missions, with extracts of the speech released by the Government Information Service.

He declared that the goal of the Suriname revolution was not only to make the country strong economically, but also mentally and culturally independent of foreign domination.

Bouterse and the military came to power in a coup on 25 February 1980 that toppled the administration of Prime Minister Henk Arron.

The army chief told the diplomats that the revolutionary leaders could well have made drastic changes in the representation abroad following the coup, because the envoys had been appointed by the previous regime with differen criteria. However, such clean sweep had not been made, because, he said, not everything connected with the old regime was bad.

Such an attitude would have meant that our country would have been divided into camps, and that is certainly not our goal. We must not fight among ourselves, because this only reinforces the hold these groups have on us."

According to the colonel, Suriname is not the only country in the grip of such forces. The same was true of all Third World countries and, therefore, Suriname's foreign policy must no longer be aligned with the rich Western states, but with those of the Third World. "In future we must emphatically express our solidarity and alignment with Third-World countries."

The envoys will themselves have to be aquainted with the republic's new ideals and on that basis decide whether they wished to direct their efforts toward the revolution. The most important ideal, he said "is our goal of creating a socialist society and making the Suriname nation one which will choose its own fate."

GOVERNMENT NARROWS SCOPE OF NEW CENSORSHIP

FL162240 Bridgetown CANA in English 2225 GMT 16 Jul 81

[Text] Paramaribo, Suriname, 16 Jul (CANA)--The Suriname Government has relaxed the total censorship it imposed yesterday, in response to an appeal by the media to President Henk Chin A Sen.

A spokesman said the directive applies from today to all matters pertaining to the country's military, the government and the revolutionary process. Journalists will have to present such copy for approval to the Government Information Service before it could be published.

There are no guidelines about what material should not be used, or any penalties announced by the government. The spokesman said that discussions were being held within the government on the matter.

The government summoned representatives of the media 2 days ago to inform them of the development, and announced the total censorship yesterday, effective immediately. This was narrowed down to military/government/revolutionary process, but without details.

CUBAN TRADE MINISTRY DELEGATION ARRIVES ON VISIT

FL111519 Bridgetown CANA in English 1510 GMT 11 Jul 81

[Excerpt] Paramaribo, Suriname, 11 Jul (CANA)--An eight-member delegation from the Cuban Ministry of Foreign Trade arrived in Suriname today for a 1-week visit, a ministry spokesman has announced. The delegation left Havana on Thursday, and came by way of Guyana.

Discussions will be held with Economic Development Minister Fong Poen about expanding trade between the two countries.